Saturday, April 18, 1953

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PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

PARLIAMENT SECRETARIAT
NEW DELHI

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

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Saturday, 18th April, 1953

The House met at a Quarter Past Eight of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

BHAKRA CANAL SYSTEM

***1412. Dr. Ram Subhag Singh:** (a) Will the Minister of **Irrigation and Power** be pleased to state when the supply of water from the Bhakra canal system would become available for irrigation purposes?

(b) What is the length of the main canal of that Bhakra canal system?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) By about May 1954.

(b) 108 miles.

Dr. Ram Subhag Singh: May I know what percentage of the canal system has been excavated till now and whether the work is proceeding according to schedule?

Shri Hathi: Yes, Sir. Almost all the canals have been excavated. Work is proceeding according to schedule. Only lining remains to be done.

Dr. Ram Subhag Singh: Is the hon. Minister in a position to state the length of distributaries of the canal system and the acreage of land that will be irrigated by that system?

Shri Hathi: The length of the main canal, as I said, is 108 miles. The branches are about 442 miles. The total acreage irrigated will be 5 million.

Dr. Ram Subhag Singh: In view of the fact that water is going to be made available to that area by May 1954, may I know, Sir, whether Government have calculated the water rate of that canal?

Shri Hathi: Punjab has done that—that is my information. Pepsu and Rajasthan Governments are taking steps to calculate it.

Dr. Ram Subhag Singh: What is that water rate—is it equivalent to the present rate, or is it more than that?

Shri Hathi: That is a matter for the Punjab Government—I shall enquire.

COAL WASHERIES

***1413. Shri M. L. Dwivedi:** (a) Will the Minister of **Production** be pleased to state at what stage is the proposal to set up coal washeries in India?

(b) What are the factors under consideration of the Coal Board?

(c) What are the advantages of washed coal over the natural coal?

(d) Do the Central Government give any aid or assistance financial or otherwise for the establishment of coal washeries, purchase and erection of washing plants, and meeting the cost of washing different grades of coal?

(e) What will be the effect on the current price of coal after the establishment of the washeries?

The Minister of Production (Shri K. C. Reddy): (a) A coal Washeries Committee has been set up by the Coal Board to examine and report on all aspects relating to the establishment of coal washeries in India.

(b) The Board will formulate its proposals after the report of the Committee is received.

The terms of reference of the Committee are laid on the Table of the House. [*See* Appendix IX, annexure No. 46.]

(c) Washing reduces the ash content of the coal and improves its quality by giving it a uniform thermal efficiency.

(d) The question of giving any aid or assistance, financial or otherwise, has not been considered by the Government.

(e) This is one of the points which will be considered by the Coal Washeries Committee.

Shri M. L. Dwivedi: May I know what is meant by consistency surcharge for washed coal over and above the price fixed for coal? At what rate is it levied at present?

Shri K. C. Reddy: The consistency surcharge is by way of an addition to the cost price of coal.

Shri M. L. Dwivedi: May I know what shall be the time likely to be taken for the establishment of these washeries?

Shri K. C. Reddy: As I said we are awaiting the report of the committee that has been constituted for this purpose. As soon as the committee's report is ready, the Coal Board will go into it and make recommendations to the Government. Thereafter Government will take necessary steps in regard to the matter.

Shri M. L. Dwivedi: May I know if any estimates have been prepared in this connection by Government so far?

Shri K. C. Reddy: No estimates have been prepared by Government. That is one of the matters for the Committee which I have referred to to go into.

Shri Barman: What would be the total saving in metallurgical coal when this scheme is fully developed?

Shri K. C. Reddy: It is very difficult to give a definite figure.

LEATHER TANNING RESEARCH INSTITUTE

***1414. Shri Bahadur Singh:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether there are any institutes for the research in proper tanning and finishing of leather in our country?

(b) If so, where are they located?

(c) What was the quantity of finished leather exported during the year 1952?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes, Sir.

(b) The Research Institutes are located at Madras, Calcutta, Bombay and Jullundur.

(c) A statement is placed on the Table of the House. [See Appendix IX, annexure No. 47.]

Shri Bahadur Singh: May I know, Sir, how the results of such research will be made available to private tanners with small resources?

Shri T. T. Krishnamachari: I am afraid it is rather difficult question to answer. One of these institutes happens to be the Central Leather Research Institute which was opened recently. The results of research carried out there—both fundamental and applied—are available to anybody that asks for it. The other four institutes are run by the State Governments. They are intended partly for training people and also for popularising the results of research and I do believe that such of the tanneries as are in need of information do get it.

Shri Bahadur Singh: Do the military authorities have a separate organisation to conduct such research, or do they depend upon the civil authorities for this purpose?

Shri T. T. Krishnamachari: I would require notice of that question.

Shri T. S. A. Chettiar: May I know whether Government have any arrangement to pick up points of research which will be useful to cottage industries, so that they may be effectively used by them?

Shri T. T. Krishnamachari: That is a matter that will be considered. These results are available to the Cottage Industries Section of the Ministry. The points of importance will be culled out and made available for workers in that field.

Shri M. D. Joshi: May I know how many people have been trained in these institutes up to now?

Shri T. T. Krishnamachari: I would require notice.

Shri T. T. Krishnamachari: The two questions (1415 and 1416) are more or less alike. I see that the hon. Member who has tabled 1416 is not in his seat. May I answer them together?

Dr. Ram Subhag Singh: He is not here.

Shri T. T. Krishnamachari: Then I shall answer 1415.

EXPORT OF COTTON YARN

***1415. Shri S. N. Das:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Government have decided to allow the export of cotton yarn for the year 1953;

(b) if so, what are the circumstances leading to this decision;

(c) whether any limit has been imposed on such export and if so, what it is; and

(d) whether, and if so how many applications have been received from the exporters?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes.

(b) On an assessment of supply and demand position and the accumulation of stocks with mills.

(c) Allotments for exports are made to mills according to their total output which related to their deliveries of cotton yarn for internal consumption during the calendar year 1952. The total quantity of cotton yarn that is likely to be licensed under this scheme for the half year January-June 1953 is estimated at about 26,000 bales.

(d) Uuder this scheme about 200 mills will be eligible to receive allotments for export. Exports against allotments may be made either by mills or by their nominees. So far allotment letters have been issued in respect of 105 mills.

Shri S. N. Das: May I know, Sir, what was the total production and internal consumption during the year 1952-53?

Shri T. T. Krishnamachari: I have not got the exact figures with me with regard to total production: I shall give it to the hon. Member later. The average is about 72,000 bales of free yarn available to handlooms every month on 1952 production.

Shri S. N. Das: What is the total requirement both for the mills and for the handlooms in the country?

Shri T. T. Krishnamachari: As I said the total free yarn available during 1952 was about 72,000 bales every month—that is for handlooms. So far as consumption by the mills is concerned, I would require notice. I have not got the information.

Shri S. N. Das: May I know the quantity of yarn available and to which countries have they been exported?

Shri T. T. Krishnamachari: There are no destination quotas fixed. So far, as I said, allotment letters have been given to 105 mills and they cover roughly about 22,000 bales. The actual export figures are not yet available.

Seth Govind Das: Is the hon. Minister aware of the fact that from time to time, handloom industry is very much affected on account of want of yarn? Is this export of yarn going to affect those people or can the hon. Minister say that this export will not affect the handloom industry at all?

Shri T. T. Krishnamachari: The position is that these export permits were given in order to relieve the stock position of the mills. Because of lack of off-take of yarn by handloom industry over a period of 7 or 8 months, stocks were accumulating. In order to relieve the mills, these export licences were given. Government is quite sure in their minds that the position of yarn in regard to supply to handloom will not be affected at all.

Shri Sinhasan Singh: Is the Government; is India still importing cloth from foreign countries?

Shri T. T. Krishnamachari: Government does not import cloth.

Shri Sinhasan Singh: I said, India.

Mr. Speaker: Order, order.

Shri Nanadas: May I know if there are any differences in prices between yarn for exports and yarn for internal consumption?

Shri T. T. Krishnamachari: In the case of yarn for internal consumption, prices are controlled. In the case of yarn for export, prices are not controlled.

CONTROLLED CLOTH

***1417. Shri Tulsidas:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the production in 1952, of such varieties of cloth in respect of which price control has not been removed so far;

(b) the total estimated annual demand for each of the aforesaid varieties; and

(c) the opening and closing stocks of these varieties of cloth in the year 1952?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). Statement is laid on the Table of the House. [*See* Appendix IX, annexure No. 48.]

(c) Information regarding the opening and closing stocks of these categories of cloth is not available.

Shri Tulsidas: May I know from the hon. Minister whether, in view of the production of these different varieties of cloth in excess of the estimated demand, it is worth while continuing production control on these varieties?

Shri T. T. Krishnamachari: It is a matter of opinion. Government seem to think in a different way from the hon. Member.

Shri Muniswamy: What are the countries which are importing Indian mill cloth in the place of handloom textiles imported previously, and what is the quantity in respect of each country?

Shri T. T. Krishnamachari: I would require notice.

BISCUITS

***1420. Shri Rishang Keishing:** Will the Minister of Commerce and Industry be pleased to state:

(a) the annual requirement and production of biscuits in India;

(b) the annual import and export of biscuits and the countries from which the same is imported and also the countries, if any, to which the same is exported; and

(c) whether the Federation of Biscuit Manufacturers of India have sought any protection from the Government of India against foreign competition and if so, whether any steps have been taken in that direction?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). A statement is laid on the Table of the House. [*See* Appendix IX, annexure No. 49.]

(c) No, Sir.

Shri Rishang Keishing: May I know whether it is a fact that the Biscuit industry in India, due to lack of market, produced only 12,000 tons last year as against a total production capacity of 38,000 tons a year, and if so, how the Government propose to help this industry in this respect?

Shri T. T. Krishnamachari: Government is not in a position to ask the consumers to consume more biscuits. Apparently, production is more or less related to the consumption and demand. The capacity is undoubtedly 38,000 tons. The demand varies from 15 to 12,000 tons according to the purchasing capacity of the consumers.

Shri Rishang Keishing: May I know whether it is a fact that the Government have decided to allow the import of special biscuit and bread making machinery in order to enable the manufacturers to improve the quality of the product?

Shri T. T. Krishnamachari: Yes, Sir. There was a time when new machinery was not allowed to be imported or installed. Government feel that that ban need no longer exist.

Shri M. D. Ramasami: May I know whether the restriction on the issue of licences for biscuit manufacturers in the Madras State still continues, and if so why?

Shri T. T. Krishnamachari: I did mention that there was a ban some time back in regard to the import of new machinery for this purpose. Government see no reason to continue the ban now.

Seth Govind Das: By what time does the hon. Minister expect that there will be self-sufficiency in production and this country will not have to import biscuits?

Shri T. T. Krishnamachari: At present, there does not seem to be any idea of encouraging imports except in order to maintain quality. I might mention to the hon. Member that we are giving a very small quota for import of biscuits. Even on this Government have put a high rate of duty. Recently, the duty has gone up by almost 100 per cent. If anybody wants quality biscuits and is prepared to pay the price, Government gets a revenue on the import of such biscuits. The whole idea is that quality should be maintained and that a leavening of quality biscuits should come in so that the consumer might express his satisfaction or otherwise of the local biscuits. It is not contemplated that any thing very much by way of quantity is likely to come in at the present prices.

ARRESTS ON WESTERN PAKISTAN BORDER

***1421. Dr. Ram Subhag Singh:** Will the Prime Minister be pleased to state:

(a) the number of persons arrested so far on Western Pakistan border for infringing passport regulations since the introduction of passport system between India and Pakistan; and

(b) how many of cases of such persons have been disposed of?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) 977 on the East Punjab and Rajasthan border with West Pakistan. Information from the States of Kutch, Saurashtra and Bombay is being collected and will be laid on the Table of the House, when received.

(b) 712 cases have been disposed of; 238 are pending disposal in the courts.

Dr. Ram Subhag Singh: In what courts are the cases of the persons infringing these passport regulations disposed of?

Shri Anil K. Chanda: Under the Passport Regulations.

Dr. Ram Subhag Singh: May I know whether it is a fact that some of the courts have expressed difficulty that they have not been supplied with a copy of the passport regulations?

Shri Anil K. Chanda: We are not aware of it.

Dr. Ram Subhag Singh: May I know the number of persons who have infringed these passport regulations and who have been handed over to the Government of Kashmir for establishing their identity and whereabouts?

Shri Anil K. Chanda: This has got nothing to do with Kashmir.

Dr. Ram Subhag Singh: They have entered into this country and then they have been handed over.

Shri Anil K. Chanda: I have not followed the question.

Mr. Speaker: Will the hon. Member repeat the question?

Dr. Ram Subhag Singh: Is it a fact that none of the persons entering into this country without any passport from Pakistan has been handed over to the Government of Kashmir for being identified?

The Prime Minister (Shri Jawaharlal Nehru): We have never heard of any such allegation before. It surprises me that any such thing should have taken place, because, patently, I cannot conceive of it. I do not know, some mistakes may have been committed in some cases. On the face of it, it seems extraordinary.

HAND-LOOMS IN TRIPURA

***1422. Shri Dasaratha Deb:** (a) Will the Minister of Commerce and Industry be pleased to state the total number of hand-looms in Tripura?

(b) What is the annual production of hand-loom cloth in Tripura?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) According to the information the Government have in their possession 34,368.

(b) 1·9 million yards approximately.

Shri Dasaratha Deb: Is the Government aware that this handloom industry is now in a deteriorating condition?

Shri T. T. Krishnamachari: I can take that information from the hon. Member.

Shri Dasaratha Deb: Has any representation been made by the Tripura Nari Samiti to protect and develop this industry?

Shri T. T. Krishnamachari: No specific representation has been received from Tripura.

Shri M. D. Ramasami: What are the varieties of textiles produced on these handlooms and which are the foreign countries to which they are exported?

Shri T. T. Krishnamachari: If the hon. Member is asking about Tripura, I have no information.

Shri Nanadas: What are the common counts of yarn required by the handloom weavers in Tripura?

Shri T. T. Krishnamachari: I will require notice.

EXTENSION OF COMMUNITY PROJECT SCHEME

***1424. Shri N. P. Damodaran:** (a) Will the Minister of Planning be pleased to state whether Government have decided to extend the Community Project Scheme into new areas and if so, to how many areas and in how many States?

(b) Have the new areas for the introduction of the Scheme been selected?

(c) Has any place in Malabar District of the Madras State been selected?

(d) If so, which is that place?

(e) When will the new project areas start work?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) to (d). Attention is invited to para. 2 of Supplement to Operational Agreement No. 8 on Community Development Programme a copy of which was laid on the Table in reply to parts (b) and (c) of Starred Question No. 979 on 25th March 1953. A decision regarding the number of areas to be selected in each State will be taken after consideration of proposals received from all State Governments.

(e) On the 2nd October, 1953.

Shri N. P. Damodaran: How long will it take for the final selection of the areas?

Shri Hathi: About 20 days.

Dr. Suresh Chandra: May I know whether the Government have received any report from the Hyderabad State?

Shri Hathi: To my information, not yet.

Shri N. M. Lingam: May I know if it is a fact that a directive has been issued to the State Governments to select areas contiguous to the existing Development projects?

Shri Hathi: Not exactly contiguous. They should select areas which are not already covered, but may be adjacent to present community project area.

The Minister of Planning and Irrigation and Power (Shri Nanda): I will clarify the position a little bit. The intention is that in the first instance areas covered by the existing projects should be extended to the contiguous areas, so that new blocks could be added on to the existing blocks, but that is not essential in every case.

Shri Namdhari: Will the Government specially consider extending the community project scheme to Sirsa Tehsil, Hissar District, for rescuing it from permanent famine?

Mr. Speaker: I think he is making a suggestion for action.

Shri M. L. Dwivedi: May I know at whose recommendation the sites for the community projects are selected, and if there is any consultative body which is consulted before final approval is given?

Shri Hathi: So far as the Central Government is concerned, it is on the recommendation of the State Governments.

CENTRAL COTTAGE INDUSTRIES EMPORIUM

***1425. Shri M. L. Agrawal:** (a) Will the Minister of **Commerce and Industry** be pleased to state since when the Central Cottage Industries Emporium was being run by the Cottage Industries Directorate of the Ministry of Commerce and Industry?

(b) Why, when and under what terms of agreement was the Emporium made over to the Indian Co-operative Union Ltd.?

(c) Is it the same Union which had been given a loan of 24 lacs of rupees by the Faridabad Development Board?

(d) Is it a fact that this transfer was against the expert advice of the departmental official concerned with cottage industries?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) April, 1949.

(b) Government felt that the working of the Emporium was not satisfactory. The Emporium was made over to the Indian Co-operative Union, Limited, New Delhi, on the 1st November, 1952. A copy of the agreement entered into between Government and the Union is laid on the Table of the House. [*Copy placed in the Library. See* No. S-36/53.]

(c) Yes, Sir.

(d) I do not know, Sir, to which official the question refers. In any event, the answer is in the negative.

Shri M. L. Agrawal: I have not received copy of the statement. It was not available in the Notice Office.

Mr. Speaker: Did he go to the Notice Office?

Shri M. L. Agrawal: Yes, Sir.

Mr. Speaker: Well, the matter has to be again enquired into.

Shri M. L. Agrawal: May I know what are the facilities by way of interest-free loans, subsidy and otherwise which are given to this Union for carrying on the work of this Emporium.

Shri T. T. Krishnamachari: If the hon. Member had looked into the Agreement between the Government and the Union, he would have found all the information, but I would like to mention that the facilities given are. We have handed over the Emporium with all the furniture and fittings to this Union, and we have also given them a loan of Rs. 1,96,000 to be repaid in seven years from 1956. I think, the first two years it does not carry any interest. Thereafter, it carries interest. We have also agreed, Sir, to participate in the losses incurred by this Union in the first year upto Rs. 1,800, and thereafter at limits fixed by the Government for the next two years. I might add that the working of this Emporium by the Union for four months has revealed that the losses will be negligible, because during the four months, their loss has been only Rs. 500. It is quite likely that the guarantee given by Government in this matter will not be evoked.

Shri M. L. Agrawal: May I know, Sir, if any other person or party had offered to take up the management of this Emporium at more favourable terms?

Shri T. T. Krishnamachari: Maybe. There was a vague talk of some private firm wanting to take it up more or less on the same terms. Government, of course, felt that it was much better a co-operative union handled it than giving it to a private business.

Shri Velayudhan: May I know, Sir, what profit the Government is going to get from this transfer of the Emporium from Government to a co-operative union?

Shri T. T. Krishnamachari: We are now in a state when Government does not seek to enter this field in order to make any profit. What we want is private enterprise also should diminish their profits. Government do not expect any profit out of such ventures. The only profit is that which will accrue to the economy of the country.

Shri P. T. Chacko: May I know, Sir, in which way the working was unsatisfactory? I want to know whether the reference is to certain irregularities referred to by the Rehabilitation Minister in this House.

Shri T. T. Krishnamachari: I do not know, Sir, what the hon. Member has in mind. I am not familiar with any references made by any Minister of Government in regard to this Emporium. The fact was that we were losing anything between Rs. 37/38,000 to about Rs. 26,000 every year, and the sales during last year were dwindling. So, the losses would naturally grow in size. It was felt that the utility of an institution of this nature, which is the main thing so far as Government is concerned, both for purposes of the business it will secure and for purposes of fostering industries, was gradually diminishing, and that is why Government thought that a new set up with a certain amount of dynamic energy behind it would perhaps retrieve the situation, and the results so far obtained are entirely satisfactory.

COMMUNITY PROJECT FOR KALYAN REFUGEE CAMPS

***1426. Shri Gidwani:** (a) Will the Minister of Planning be pleased to state whether it is a fact that the displaced persons' organizations in Kalyan Refugee Camps (Ulhas Nagar), Bombay State, have represented to Government to include Kalyan Refugee Camps in the Community Projects Scheme of the Bombay State?

(b) If so, have Government considered those representations and what is the decision?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes.

(b) Selection of areas under the Community Projects Scheme is based on proposals received from the State Government concerned. No proposals have been received from the Bombay Government for the inclusion of Ulhas Nagar in their Community Project Programme.

Shri N. M. Lingam: In view of the reported view of the Administrator of Community Projects that 50 per cent. of the projects are below par in their working, is it still the intention of the Government to select new areas contiguous to the existing blocks?

Shri Nanda: This assumption is not true. Our recent assessment of the quality of work that is done in these project areas shows that a very large majority are doing well.

The Prime Minister (Shri Jawaharlal Nehru): The view reported to me by the Administrator was that 90 per cent. are working well.

Shri N. M. Lingam: I referred to a press report of yesterday, Sir.

Dr. Ram Subhag Singh: May I know the sources of information of the Prime Minister which have enabled him to say that 90 per cent. of the projects are working well?

Mr. Speaker: We are again going back.

SOCIAL AND ECONOMIC PROBLEMS

***1428. Shri Bansal:** Will the Minister of Planning be pleased to state:

(a) whether a provision of Rs. 50 lakhs has been made in the Five Year Plan for research and investigation into social and economic problems relating to national development;

(b) whether any scheme has been formulated for allocating this sum; and

(c) if so, the institutions through which this amount will be spent?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) Yes.

(b) and (c). The matter is under consideration.

Shri K. G. Deshmukh: May I know, Sir, how long this matter will be under consideration?

Shri Nanda: The matter is under active consideration, and will be decided very soon.

Shri T. S. A. Chettiar: May I know, Sir, how this amount is proposed to be spent?

Shri Nanda: That will depend upon the scheme that is drawn up for the purpose.

सेठ गोविन्द दास : क्या इस सम्बन्ध में प्रदेश की सरकारों की भी राय मांगी गयी है ?

Shri Nanda: We have consulted the experts from various States in this connection.

UTILISATION OF BUILDING MATERIALS

*1429. **Shri K. C. Sodhia:** Will the Minister of **Works, Housing and Supply** be pleased to state whether Government propose to publish the main researches carried out in connection with the fullest utilisation of building materials for the benefit of the public?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): It has always been Government's policy to publish the results of researches carried out in connection with the utilisation of building materials.

Shri K. C. Sodhia: Have the Government put these researches to practical test in any of their works?

Shri Buragohain: I think, Sir, the engineers in charge of constructions do take into account the results of researches carried out by the various institutions in the country.

Shri K. C. Sodhia: How is the general public to make use of these researches?

Shri Buragohain: These are published from time to time, Sir, in the Journal of Scientific and Industrial Research, as also in the annual technical report of the Council of Scientific and Industrial Research.

Shri K. C. Sodhia: How many villagers make use of these publications?

Mr. Speaker: Perhaps, his point is whether any practical demonstration is given by putting up houses. That is perhaps the point which he wants to make.

Shri Buragohain: The Government has in contemplation the setting up of an organization for this particular purpose of dissemination and also utilization of the results of research, and that organization will be set up some time towards the end of this year.

RESEARCH INSTITUTES FOR TEA

*1430. **Shri K. C. Sodhia:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether there are at present any research institutes and any demonstration and experimental farms where training in tea tasting and other techniques of the tea industry are imparted?

(b) If so, where are they situated and what is their capacity for training?

(c) If not, when are Government likely to have one of them?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) No, Sir.

(b) Does not arise.

(c) There is at present no proposal under consideration of Government to set up any such institute or farm.

Shri K. C. Sodhia: Do they feel the necessity of doing that?

Shri T. T. Krishnamachari: As a matter of fact, the necessity is not very pressing. If it is, Government would move in the matter.

Shri K. C. Sodhia: Are the Government aware that European firms have got a monopoly in this direction?

Shri T. T. Krishnamachari: Well, Sir, it is true that certain brokers' firms do train people for this purpose. I do believe they have been taking Indian apprentices as well, for the purpose necessary for their trade. It is not a question of any monopoly. There is no question of anybody being prevented from starting any institution of this nature to train people in tea-tasting.

MICA EXPORTS TO U.S.A.

*1432. **Shri Ramachandra Reddi:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any enquiry was made by the Government through their Embassy in U.S.A. about the fall in the Indian mica imports into U.S.A.;

(b) if so, what information was communicated to the Government;

(c) whether the fall in the imports is in all categories of mica or only in certain categories; and

(d) to what extent foreign mica has been competing with Indian mica in U.S.A. and Japan markets?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) to (d). The fall in exports is noticeable only in the case of mica splittings. It is understood that there has not been any large increase in U.S. imports from other sources.

And I may add, Sir, that in regard to Japanese imports, the competition is not of a serious character.

खादी तथा ग्राम्य उद्योग

*१४३३. **श्री विभूति मिश्र:** (क) क्या वाणिज्य और उद्योग मंत्री यह बतलाने की कृपा करेंगे कि अखिल भारतीय खादी और ग्राम्य उद्योग बोर्ड ने ग्राम्य उद्योगों की उन्नति के लिए कोई स्कीम दी है ?

(ख) यदि हां, तो क्या ?

(ग) यदि उपयुक्त भाग (क) का उत्तर स्वीकारात्मक हो तो क्या सरकार ने इसे कार्यान्वित किया है ?

(घ) यदि हां, तो किन–किन स्थानों पर ?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The Board forwarded two schemes for the development of *Khadi* during 1952-53. Concrete proposals in regard to one scheme have so far been received for 1953-54.

(b) and (d). Last year's schemes involved a grant of Rs. 9 lakhs for subsidising the production and sales of *Khadi* at the various centres and institutions; and a loan of Rs. 30 lakhs for the purchase of cotton in the last cotton season to cater for production of *Khadi* in 1953-54 (actually only Rs. 10 lakhs have been taken by the body concerned). For 1953-54. the Board have drawn up a scheme for the expenditure of a sum of Rs. 55,25,000 for giving a rebate of three annas in the rupee on the sales of *Khadi*, on an estimated production of Rs. 3 crores worth of *Khadi* during the year.

(c) Both schemes pertaining to 1952-53 were sanctioned by Government. The proposal for 1953-54 is under the consideration of Government.

श्री विभूति मिश्र: क्या खादी का उत्थान महात्मा जी के सिद्धान्त के अनुसार हो रहा है ? महात्मा जी का सिद्धान्त यह था कि किसी स्थान को सेलेक्ट कर लिया जाये और उस एरिया में सब प्रकार के साधन जुटाये जायेंगे खादी के उत्थान के लिये और उतने दिनों वहां कोई विदेशी कपड़ा या मिल का कपड़ा नहीं लाया जायगा । क्या यह सिद्धान्त काम में आ रहा है ?

Shri T. T. Krishnamachari: I could not catch the import of the question, Sir.

Mr. Speaker: Is the scheme being carried on on the principles which Mahatmaji had imagined?

Shri T. T. Krishnamachari: The members of the Board are people who are not merely imbued with a desire to promote *khadi* but they have been in close touch with Mahatmaji during his lifetime, and it must therefore be presumed that the Board will not depart from the principles laid down by Mahatmaji in this regard.

Pandit D. N. Tiwary: Is it under the consideration of the Government to select a province for *khadi* and ban all cloth of foreign and mill-make, so as to establish *khadi* on a half-sufficient footing?

Mr. Speaker: These are all suggestions as to how the Board should proceed.

Pandit D. N. Tiwary: Are the Government considering this?

श्री विभूति मिश्र: महात्मा जी का यह भी सिद्धान्त था कि सर्टेन काउन्ट्स के यार्न से मिल का कपड़ा बने और सर्टेन काउन्ट्स के यार्न से खादी बनाई जायगी। क्या इस सिद्धान्त को काम में लाया जा रहा है ?

Shri T. T. Krishnamachari: The question was not clear, and I could not follow the question.

Mr. Speaker: It was not clear to me also. Does he mean to say that the finer counts will be reserved for mills or *khadi*?

Shri Sinhasan Singh: In regard to *khadi*, the hon. Member wanted that certain counts of yarn should be manufactured only by *khadi* producers, while above that count, the mills should produce cloth. He said that up to 15 counts, the manufacture should be made only by *khadi* producers.

Shri T. T. Krishnamachari: No such proposal has been made. The Government have not exercised their mind on this particular problem.

Shri T. S. A. Chettiar: May I know whether the subsidy suggested is for production by all agencies including basic schools and other agencies, and whether it is on the basis of the production in 1952-53?

Shri T. T. Krishnamachari: I cannot say what the basis is. I think probably the basis is an estimate of production which might be considerably in advance of the production in 1952-53, but I understand that all agencies will be utilised, which are in the opinion of the Board suitable for the purpose.

Mr. Speaker: I think these are all matters which relate to the administration of the Board.

Next question, No. 1435.

An Hon. Member: What about No. 1434?

Mr. Speaker: That will be taken up later. The hon. Member is absent.

PROGRESS OF FIVE YEAR PLAN

***1435. Shri N. B. Chowdhury:** Will the Minister of **Planning** be pleased to state:

(a) how far the targets fixed for the first two years of the Five Year Plan have been realised;

(b) in which fields the progress is below the mark; and

(c) in which fields the work is ahead of the targets?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) to (c). This information will be furnished in the progress report on the Plan which will be laid on the Table of the House during the present session.

MCKELVIE COMMITTEE'S REPORT

***1437. Shri B. C. Das:** (a) Will the Minister of **Irrigation and Power** be pleased to state whether the Mckelvie Committee has submitted its final report on the Hirakud Dam Project ?

(b) If so, do Government propose to lay a copy of the report on the Table of the House?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) and (b). Government have received only the final report (majority report) of two of the members of the Departmental Committee. The report of the third member is still awaited. As soon as this is received, the report of the Committee, together with the recommendations of the Comptroller and Auditor-General, who will be visiting Hirakud shortly to advise Government on the accounting procedure appropriate for Hirakud, will be placed on the Table of the House.

Shri B. C. Das: Is there any difference of opinion between the majority and the minority in that Committee?

Shri Nanda: That is how a minority report arises.

Shri B. C. Das: May I know the cause of the delay in the submission of the minority report?

Shri Nanda: That is because the member who is giving a minority report has asked for some time to be able to submit his minority report.

Shri B. C. Das: Is it a fact that a year ago, the Committee was formed and went into the matter?

Shri Nanda: Yes, this Committee was formed about that time.

Shri Sarangadhar Das: May I know why it is that the full Committee did not meet afterwards to finalise the report?

Shri Nanda: They had been meeting several times in the past, but now they find that the opinions are so distinctly varying that one of them has to submit a dissenting report.

Shri S. N. Das: May I know whether it is a fact that after the submission of the interim report, this Committee has never met, with all the three members?

Shri Nanda: When the report is received finally, we shall have all these details.

PAYMENT TO WORKERS AT HIRAKUD

***1438. Shri B. C. Das:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether it is a fact that the monthly paid workers at Hirakud do not regularly get their pay in the first week of next month; and

(b) if so, what steps have been taken to improve the situation?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). The information is being collected and will be placed on the Table of the House as soon as possible.

Shri B. C. Das: Is it a fact that the majority of the workers are seasonal workers, employed for the season in a year?

Shri Hathi: I cannot say whether it is the majority, but some of them are seasonal workers.

Shri B. C. Das: May I know whether they have been drawn from distant parts of India, especially from Madras, and whether it is a fact that these employees do not regularly get their pay?

Shri Hathi: I would like to inquire into the matter.

Shri Nanadas: May I know whether these employees come under the Payment of Wages Act?

Shri Hathi: No.

The Minister of Planning and Irrigation and Power (Shri Nanda): No, Sir, they do not come under that.

Shri B. C. Das: Have the Government received any complaints about irregularity in the pay rolls?

Shri Nanda: There has been no recent complaint.

Shri B. C. Das: Was there any complaint before?

Shri Nanda: We are not aware of any complaint.

FRESH PROJECTS UNDER FIVE YEAR PLAN

***1442. Shri Jhulan Sinha:** Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that the list of projects for execution during the Five Year Plan period is not rigid but flexible and that there is scope for more useful schemes not enumerated in the list to be taken in and executed within the limits of the funds available; and

(b) if so, the projects for which claims of priority have been pressed or are being pressed by the State Governments and the action taken or likely to be taken in respect of those claims?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) Within the limits of the resources available for the Five Year Plan, it is possible for a State Government to propose to the Planning Commission new schemes in substitution of others which may have been included in the Plan. Generally speaking, since the larger schemes in the Plan are almost all under execution, the scope for such substitution is limited to relatively small schemes, on which much expenditure is not involved.

(b) There are no projects for which new priority claims have been pressed by State Governments within their present **Plan.**

Shri Jhulan Sinha: May I know, Sir, if the State of Bihar has requested the Government of India to allow them to include the Gandak project in the Five Year Plan?

Shri Nanda: That is in terms of my answer to (b). The position is that the Bihar Government has not pressed the Gandak scheme in substitution of any existing scheme.

Shri Raghavaiah: In view of the fact that certain State Governments have not pressed the execution of certain projects, may I know, Sir, whether they will be left out by the Planning Commission without being executed?

Shri Nanda: The Planning Commission, Sir, has already put forward a plan which has been adopted by Parliament and by Government.

Shri Raghavaiah: Has the question of priority been pressed by the Madras State Government with regard to the Nandi Konda project?

Shri Nanda: I will repeat that no Government has asked for the inclusion of a scheme at the expense of any existing scheme. Otherwise, if it is not in substitution, it would mean enlarging the whole size of the Plan for which we are not prepared.

Shri Raghavaiah: May I know, Sir, since the Madras State Government and the Centre have agreed on the question of the Krishna-Pennar project to be left out, whether the question of Nandi-Konda project was pressed by the Madras State Government?

Shri Nanda: Sir, I have already answered the other day numerous questions on these Nandi-Konda and Krishna-Pennar projects. I think I gave sufficient answer to this question then.

Pandit D. N. Tiwary: May I know, Sir, whether the Government are aware that a resolution for giving effect to the Gandak project was passed by the Bihar Assembly, requesting the Central Government to include it in the Five Year Plan? Are Government aware that there is a strong feeling in Bihar about including this project in the Five Year **Plan?**

Shri Nanda: Sir, I have answered it already. That is, there is the Kosi project and there is the Gandak project. The Bihar Government is not prepared to give up one project in order to include the other project. That is, the position.

पंजा साहिब जाने की अनुमति अस्वीकृति

*१४४३. **श्री रघुनाथ सिंह** : (क) क्या प्रधान मंत्री यह बतलाने की कृपा करेंगे कि यह सत्य है कि पाकिस्तान सरकार ने इस बर्ष पंजा साहिब की यात्रा के निमित्त भारतीय नागरिकों को अनुमयि नहीं दी है ?

(ख) यदि हां, तो इस बर्ष किन विशे परिस्थितियों के कारण अनुमति नहीं दी गई ?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Yes.

(b) The Pakistan Government regretted their inability to agree to the proposed visit. No reasons were given, but it is well known that conditions have been abnormal and disturbed recently in certain parts of West Punjab.

श्री रघुनाथ सिंह : यह पंजासाहिब का स्थान अभी तक हिफाजत से है या नहीं ?

प्रधान मंत्री (श्री जवाहरलाल नेहरु) : जहांतक सुनन में आया है महफूज है ।

मैअरफार्म प्रकार के जहाज

*१४४४. **श्री रघुनाथ सिंह** : क्या उत्पादन मंत्री यह बतलाने की कृपा करेंगे कि मैअरफार्म प्रकार के कितने जहाज भारत में बन रहे हैं और इन जहाजों की क्या विशेषताएं हैं ?

The Minister of Production (Shri K. C. Reddy): The Hindustan Shipyard Limited has on hand orders for the construction of five 7,000 DWT and two 8,000 DWT Maierform vessels. The Maierform vessels will be equipped with diesel engines which will use heavy oil. One special feature is the sharp rake of the bow, owing to which Maierform has good riding qualities in a heavy seaway and pitching also is comparatively less. the silhouette of the ship is also distinctive.

Shri Altekar: May I know, Sir, the cost of the Maierform ships?

Shri K. C. Reddy: I am afraid I cannot give the exact cost of each ship.

HOUSING LOAN TO BIHAR

***1445. Shri Jhulan Sinha:** (a) Will the Minister of **Works, Housing and Supply** be pleased to state the amount of loan sought by and sanctioned and made available to the State of Bihar under the Industrial Housing Scheme during the last two years and the progress achieved in the implementation thereof?

(b) Is there any scheme for housing in the non-industrial areas in the country for which Central aid is available?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): (a) A sum of Rs. 30 lakhs each was sought for and advanced as loan to the Bihar Government during the years 1951-52 and 1952-53, for disbursement to the employers under the terms of the Bihar State Industrial Housing Scheme. Nearly 669 tenements have so far been completed and the work on about 444 more is in progress.

(b) It may be possible to grant loans at reasonable rates of interest towards suitable slum-clearance schemes of State Governments and local bodies. The clearance of slums will affect the non-industrial population also.

Shri Jhulan Sinha: May I know, Sir, whether housing in non-industrial areas has been taken into consideration by the Government and suitable steps taken thereon?

Shri Buragohain: As I said, Sir, we have in contemplation schemes for slum-clearance, and we have addressed the State Governments. Some of the State Governments have sent their schemes; replies from others are awaited. We will take a decision in this matter when these are received and provide the allocation of funds for the purpose.

Shri Jhulan Sinha: Do all the schemes of slum-clearance relate to urban areas?

Shri Buragohain: Slum-clearance is for urban areas only, Sir.

Shri B. S. Murthy: Arising out of the answer that non-industrial areas are also taken into consideration, may I know, Sir, what amount has been allotted for non-industrial areas?

Shri Buragohain: As for the exact amount, Sir, I am not in a position to say at the moment. But slum-clearance schemes certainly will also affect the non-industrial areas in the cities and urban areas.

Shri R. K. Chaudhuri: May I know, Sir, if the labourers working in the oil and rice mills would come under this industrial housing scheme, and is the hon. Minister aware that the labourers in non-industrial areas have no housing and they live on the verandas and in the shade of trees?

Shri Buragohain: So far as I know, Sir, the Government of the State of Assam, in which probably Mr. Chaudhuri is interested, have not sent us any scheme for industrial housing.

Dr. Ram Subhag Singh: May I know, Sir, the names of industries whose employers have taken advantage of the loans which the hon. Minister just referred to.

Shri Buragohain: The question related only to Bihar, Sir. If the hon. Member wants to know about Bihar, I might tell him that so far only two industrial establishments have taken advantage of the Bihar Government's scheme which has been adopted as the Central scheme.

Shri Nanadas: May I know, Sir, whether any money was allotted during 1952 or 1952 for non-industrial housing schemes?

Shri Buragohain: No, Sir. Previously this scheme was operated by the Ministry of Labour and they had naturally the scheme for industrial housing only.

PAKISTAN'S SHARE OF WAR REPARATION

***1254. Shri M. L. Agrawal:** (a) Will the Minister of **Works, Housing and Supply** be pleased to state whether attention of the Government has been drawn to the allegations made by Mr. Abdur Rab Nishtar, Pakistan Industries Minister, in Pakistan Parliament that Pakistan's share of War Reparations due from Germany estimated at Rs. 40 lakhs is not being transferred to Pakistan by India?

(b) What truth, if any, is there in this allegation against India?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): (a) Yes, Sir.

(b) There is no truth in these allegations. According to the Press reports, two allegations have been made by the Pakistan Industries Minister, *viz.*, (1) that India sold away four of the Reparation plants allocated to Pakistan without reference to her and (2) that Pakistan's share of German external assets in undivided India estimated at about Rs. 40 lakhs has not been transferred to her. There is no truth in either of these allegations.

The position in regard to the German Reparation plants is that orders for the release of four such plants to Pakistan were issued by India on 10th May 1949, but the Pakistan Government did not make arrangements to take the plants after paying for the expenditure incurred by the Government of India in Europe and in India on freight, packing, demurrage, storage, greasing, etc., till October 1951, by which time the storage and other charges had mounted to over Rs. 14 lakhs. As there was danger of deterioration in the condition of plants, it was decided to dispose of the plants. Another opportunity was, however, given to Pakistan to lift the plants after paying the accumulated charges within one month. As this offer was also not availed of, the plants were eventually disposed of and the matter was reported to the Inter-Allied Reparations Agency, who have since agreed to debit the cost of the plants to India's account.

As regards German External Assets held in undivided India, the position is that on the outbreak of war with Germany, the Government of India vested in the Custodian of Enemy Property all German assets held in undivided India under the Defence of India Rules. After the partition of the country India's share of Reparations became apportionable between the Government of India and Pakistan in the ratio of 82½ per cent. and 17½ per cent. respectively. Pakistan's share in the vested German assets stood at Rs. 40 lakhs (approx.). As the Pakistan Government had already received their due share while sharing out of the total cash balances of the undivided India under the Partition Settlement, it seemed to us to be clear that nothing further was payable to Pakistan on that account. This position was, however, not accepted by Pakistan at the I.A.R.A. Assembly. The Secretary General of the I.A.R.A. then made a proposal to the Government of India to the effect that the disputed sums should be charged to India's accounts pending an agreement on the issue. The Government of India have since agreed to accept the debit as a final settlement of the dispute.

Mr. Speaker: I should like to repeat the suggestion which the hon. Leader of the House made the other day. In cases, where the replies are long, somewhat in the nature of statements, it is better to keep those statements on the Table of the House and invite the attention of hon. Members so that it may be circulated and supplementaries can be put. It is difficult to follow, when the answers are very long, as to what exactly the points covered are. I think, that should be the general rule even in questions which are being answered in the way in which the hon. Minister has done just now.

The Minister of Information and Broadcasting (Dr. Keskar): Sometimes it happens that Members complain that the Ministers do not read the whole answers.

Mr. Speaker: My point is, if the answer is required to be long, in the nature of a statement, then it is better to place it on the Table of the House. I heard the whole statement and I must confess my inability to catch all the points that the hon. Miniset*r* has made. I even do not know how supplementaries can be put in within the scope of the answer that is given. Even from the point of view of Members, it is better that that statement should be made as short as possible and then read, or, if it is long, placed on the Table of the House, so that they can better grasp the information and then put supplementary questions.

Shri Buragohain: In this case the question actually was about the 40th question on the list. So, I thought it might not come up for supplementaries and that the reply would merely be placed on the Table of the House.

Mr. Speaker: I do not want to find fault with the hon. Minister. But, I do not think it will be proper to spend the time of the House in putting supplementaries over such a long answer.

Shri Damodara Menon: May I put one supplementary question, Sir?

Mr. Speaker: Yes.

Shri Damodara Menon: The hon. Minister stated that the plant left here, which the Pakistan Government refused to lift, was disposed of. May I know the amount fetched by that transaction?

Shri Buragohain: It is in the neighbourhood of Rs. 15 lakhs, Sir.

Shri Velayudhan: May I know whether the Government of India has disposed of all the reparation plants and whether Indians were given priority for the purchase of these plants?

Shri Buragohain: Sir, out of more than 10,000 items, we have disposed of the bulk of them. There are about, I think, 800 to 1,000 items left and the Ministry of Defence and the other Ministries are looking into those stores. Most of them will now be taken over by the Ministry of Defence and the remaining items will be disposed of according to the usual rules.

Shri M. L. Agrawal: May I suggest that it may be put for supplementary questions on some other day?

Mr. Speaker: That is not possible. I think I shall close the supplementaries and further questions may be put on the statement later on.

Shri M. L. Agrawal: In that case, I will put one supplementary.

Mr. Speaker: He may finish with that supplementary.

Shri M. L. Agrawal: Has the Government made any protest to the Pakistan Government for making such false allegations?

Shri Buragohain: This was an item published in a newspaper in Pakistan, Sir. I do not think it was published in India and I am not aware of any protest being made.

Shri Joachim Alva: When the German plant was allotted to India, or when the division of the machinery was in favour of India, were not the representatives of Pakistan present in the Inter-Allied Commissions?

Shri Buragohain: Since independence Sir, Pakistan is a member, on her own right, of this I.A.R.A.

Mr. Speaker: Let us now take up Question No. 1434, the question of Shri Samanta to be put by Shri Barman.

BASIC AND SOCIAL EDUCATION THROUG FILMS

***1434. Shri Barman:** (on behalf of **Shri S. C. Samanta**): (a) Will the Minister of **Information and Broadcasting** be pleased to state what steps have been taken to promote basic and social education in India through films?

(b) Have any separate units been set up in the Films Division to produce films on the subjects?

(c) If so, how many films have already been produced and how many will be produced next year and in what languages?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Films Division have produced a number of documentary films which are suitable for basic and social education. They have been shown in cinemas all over the country and in rural areas through mobile vans and touring cinemas. Prints are also lent or sold to institutions, associations and individuals who have facilities for exhibition, including educational institutions who are members of the Central Film Library of the Ministry of Education.

(b) It has been decided to set up three units in the Films Division exclusively for the production of films for basic and social education.

(c) Steps are being taken to set up the units. According to the programme already sanctioned, 18 films in a year will be produced in Hindi; the question of additional languages is under consideration.

Shri Barman: Has the Government any machinery or other means by which to assess the results of the exhibition of such films in the rural areas, and, if so, what is the result according to the Government's information?

Dr. Keskar: I do not understand what is meant by assessing the result. They are films meant for social education, for imparting instruction to adults. Probably the hon. Member means finding out how many people have profited by that. If that is the case, this is a question which will be dealt with mainly by the State Education departments.

Shri Barman: My question is, have the Central Government called for return of results from the State Governments; whether the Central Government tries to keep itself in touch with the results in the country, so far as these basic education films are concerned?

Dr. Keskar: Yes, Sir. The State Governments have held a number of shows and a number of people have attended those shows. Whether the people who have attended these shows have profited from them is very difficult to assess.

Shri Barman: Is the recommendation by the Central Government to the various film companies to show these basic education films, recommendatory or mandatory?

Dr. Keskar: The social education films as such are not at all mandatory. The cinemas generally show one film as approved, and which are documentaries issued by the Government of India. There might be social education films which may not be documentary. In that case they are not shown in cinemas.

Shri Chattopadhyaya: May I know whether Government have appointed special script writers to write for films in this Films Division and whether independent script writers are also invited to co-operate?

Dr. Keskar: Both the things are done, Sir. But, I am not sure whether my hon. friend is referring to the new Units that are going to be set up or the work of the Films Division generally.

Shri Chattopadhyaya: May I know, Sir, how many members of the Censor Board have practical knowledge of film-making?

Dr. Keskar: I think that question is not relevant, Sir.

Mr. Speaker: Order, order; the Question-hour is over.

WRITTEN ANSWERS TO QUESTIONS

BUILDING FOR INDIA SUPPLY MISSION

***1411. Sardar Hukam Singh:** Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether the Government of India have decided to construct a building in Washington to house the India Supply Mission and the Audit Office;

(b) what is the total estimated cost; and

(c) what annual rent is being paid for the building wherein these offices are housed up to now?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): (a) Yes, Sir.

(b) About Rs. 11 lakhs.

(c) From 1st July 1951 to 30th June 1952—Rs. 1,64,730 per year.

From 1st July 1952 to 31st December 1953—Rs. 1,33,000 per year.

EXPORT OF YARN

***1416. Shri V. P. Nayar:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether the Government of India have permitted the limited export of cotton yarn on a quota system?

(b) If the answer to part (a) above be in the affirmative, what are the rules laid down by Government in the matter of the export of yarn?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes.

(b) A copy of the Public Notice is laid on the Table of the House. [*See* Appendix IX, annexure No. 50.]

TIMBER FOR HIRAKUD PROJECT

*1418. **Shri Sanganna:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) the value of timber imported from outside Orissa so far for the construction work of the Hirakud Dam: and

(b) the value of timber procured so far from Orissa forests for the purpose?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). The information is being collected and will be placed on the Table of the House as soon as possible.

ASCU

*1419. **Shri Sanganna:** (a) Will the Minister of **Commerce and Industry** be pleased to state how many factories have been set up in India for the manufacture of Ascu?

(b) What is the quantity and value of Ascu manufactured every year in India?

(c) What quantity, and of what value, of Ascu is imported to India from abroad?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). So far as Government are aware, there is only one factory in India producing Ascu. Information regarding production is not available.

(c) Ready-made Ascu is not imported into India.

BUTTER AND CHEESE

*1427. **Prof. D. C. Sharma:** (a) Will the Minister of **Commerce and Industry** be pleased to state how much butter and cheese was imported from Australia and England during 1951 and 1952?

(b) Is there any proposal before the Government to establish a factory for the manufacture of butter and other milk products?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) A statement is placed on the Table of the House. [*See* Appendix IX, annexure No. 51.]

(b) No, Sir.

V.C.'s SOIL CONSERVATION PROGRAMME

*1440. **Shri Viswanatha Reddy:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) the total expenditure incurred during 1952-53, by the D.V.C. on its soil conservation programme; and

(b) the chief achievements under the programme during the same period?

The Deputy-Minister of Irrigation and Power (Shri Hathi): (a) and (b). The information is being collected and will be laid on the Table of the House as soon as possible.

HYDRO-ELECTRIC STATION AT KONAR DAM

*1441. **Shri Viswanatha Reddy:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether there is a proposal to construct an underground hydro-electric station at Konar dam;

(b) if so, when it will be taken up; and

(c) the estimated expenditure on it?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) The proposal is under the consideration of Government.

(c) Rs. 3·85 crores.

JUNGLES SUBMERGED BY TILAIYA DAM

1113. **Shri Nageshwar Prasad Sinha:** (a) Will the Minister of **Irrigation and Power** be pleased to state whether, and if so, what area of jungles with standing timbers have gone down under water near Tilaiya dam?

(b) Was the jungle under the protected area of the Government of Bihar?

(c) Was the Government of Bihar given a timely notice to clear off the jungles?

(d) What would be the approximate value of the timber submerged?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No timber forest existed in the reservoir area of the Tilaiya Dam. 3,940 acres of scrub jungle have been submerged.

(b) 1,921 acres out of 3,940 acres was under the management of the Bihar Government and the rest under private owners.

(c) Yes. Government of Bihar made efforts to dispose of the jungle but failed; they then asked the Corporation to do so. Despite wide publicity by the Corporation, no purchaser came forward as firewood has not much value in the area and transport over long distances by road render it uneconomic. Further, people hoped that ultimately the authorities would have to allow free clearance of the jungle.

(d) The book-value of the bush jungle is Rs. 39,400 at Rs. 10 per acre.

SUBMERSION OF CROPS NEAR TILAIYA DAM

1114. Shri Nageshwar Prasad Sinha: (a) Will the Minister of **Irrigation and Power** be pleased to state whether it is a fact that large acreage of standing sugar-canes and standing paddy crops belonging to the villagers went under water near Tilaiya dam?

(b) If so, what would be their value?

(c) Were the owners of the sugarcane and paddy crops served with timely notices not to grow them and if so, in what month were the notices issued and when and how were they served?

(d) Have the villagers claimed compensation for the loss of their sugarcane and paddy crops and if so, with what results?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The area of crops submerged by Tilaiya dam is as below:—

Paddy—1,605 acres.
Sugar-cane—50 acres.

(b) Paddy—Rs. 1,02,620.
Sugar-cane—Rs. 7,500.

(c) The people were warned by personal contracts that their lands might be submerged and therefore they should not grow any crops on them.

(d) Yes. The claims as mentioned below have been accepted.

Paddy—Rs. 1,02,620.
Sugar-cane—Rs. 7,500.

In the majority of the cases, payment also has been made.

AMOUNTS DUE TO TRIPURA BUSINESSMEN FROM PAKISTAN

1115. Shri Dasaratha Deb: (a) Will the Minister of **Commerce and Industry** be pleased to state whether it is a fact that some businessmen of Sonamura in Tripura who exported goods to East Pakistan in 1952, could not realise the amounts from Pakistan against their exported goods?

(b) If so, what is the amount and why has it not been realised so long?

(c) Was any representation made to the Government of India by the businessmen affected as a result thereof, for the realisation of the amount?

(d) What steps do Government propose to take to realise the amount immediately?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) to (d). A representation was received from some traders of Sonamura to the effect that they had been unable to realise about Rs. 5 lakhs from importers in East Pakistan owing to the alleged refusal of the State Bank of Pakistan to pass the relevant Bills. The matter has been referred to the Indian Commercial Secretary at Dacca, who is collecting details of specific cases in which payments have been held up.

Bidi FACTORIES IN TRIPURA

1116. Shri Dasaratha Deb: (a) Will the Minister of **Commerce and Industry** be pleased to state what is the total number of *Bidi* factories in Tripura?

(b) What is the total number of workers in these *Bidi* factories?

(c) What is the total production of these factories in the year 1952-53 and how do these figures compare with the figures of 1950-51 and 1951-52?

(d) If there has been a fall in the production, what are the reasons for the same?

(e) What steps do Government propose to take to protect the *Bidi* Industry there?

(f) Do Government propose to give necessary Air-subsidies and Excise concessions to the local *Bidi* Industry, so that they can survive the competition of imported *Bidies*?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) 40, of which 10 come under the purview of the Factories Act.

(b) Approximately 1,200.

(c) about 25 crores of *Bidies* were produced during 1952-53. Figures for the previous years are not available.

(d) Government have no information.

(e) and (f). The Central Government are not aware of any special difficulties existing at present in the local *Bidi* Industry.

DEVELOPMENT PROJECTS IN RAJASTHAN

1117. **Shri Bheekha Bhai:** Will the Minister of **Planning** be pleased to state:

(a) the total expenditure incurred so far, on different items of development in the State of Rajasthan under the Five Year Plan; and

(b) the progress made so far?

The Minister of Planning and Irrigation and Power (Shri Nanda): (a) and (b). The figures of development expenditure reported by the Rajasthan Government are at present under examination. The progress made in the first two years is also being reviewed. The necessary information will be furnished shortly in the progress report on the Five Year Plan.

RESOLUTIONS OF THE U. N. GENERAL ASSEMBLY

1118. **Shri K. N. Singh:** Will the **Prime Minister** be pleased to state:

(a) whether Government have to pay for copies of the resolutions passed by the U. N. General Assembly and if so, what is the price per copy and the number of copies that have come at different times; and

(b) whether these copies of the resolutions are also forwarded to the States and the Universities and if so, what are those resolutions and to which States and Universities they have been sent?

The Prime Minister (Shri Jawaharlal Nehru): (a) Government of India do not pay for the copies of the resolutions of the General Assembly of the U.N. Till the end of 1952, Government received 25 copies—10 by airmail and 15 by seamail. To reduce expenditure, at present only 10 copies are received by air.

(b) No.

OCCUPATION OF INDIAN TERRITORY BY PAKISTAN FORCES

1119. **Dr. Ram Subhag Singh:** Will the **Prime Minister** be pleased to state whether the Pakistani Forces are still in occupation of the 14 acres of Indian territory within the jurisdiction of Ranian village in Amritsar district which the Pakistani Police had forcibly occupied in September 1952?

The Prime Minister (Shri Jawaharlal Nehru): Yes. This question has formed the subject matter of discussion at various meetings between representatives of India and Pakistan, but no final decision has yet been arrived at regarding the restoration of possession of this land.

PAKISTANI RAIDS ON KUTCH BORDER

1120. **Shri Jasani:** Will the **Prime Minister** be pleased to state:

(a) how many raids in the Indo-Pakistan border by Pakistan nationals had taken place in Kutch State during the year 1952; and

(b) the names of places where these raids had taken place?

The Prime Minister (Shri Jawaharlal Nehru): (a) Nine.

(b) The raids took place at

(1) Lifri (Nakhatrana Taluka),
(2) Dolatpur (Lakhpat Taluka),
(3) Deshalpur (Rahpar Taluka),
(4) Kuriani (Lakhpat Taluka),
(5) Vanoi (Rahpur Taluka),
(6) Ber (Lakhpat Taluka),
(7) Piper (Lakhpat Taluka),
(8) Ratadia (Nakhatrana Taluka),
(9) Tumbdi (Mundra Taluka).

SHIFT CHARGEMEN IN COLLIERY POWER STATIONS

1121. **Shri K. K. Basu:** Will the Minister of **Production** be pleased to state:

(a) the number of persons employed as shift chargemen in each of the State Colliery Power Stations;

(b) their scale of pay;

(c) how many of them are permanent in each power station;

(d) whether, the scale of pay is the same as recommended by the Central Pay Commission; and

(e) if not, what are the reasons therefor?

The Minister of Production (Shri K. C. Reddy): (a) Four at Kargali Power House, one at Giridih Power House, four at Talcher Power House, four at Kurasia Power House, two at Bhurkunda Power House.

(b) The scale of pay prescribed under the Central Civil Services (Revision of Pay) Rules is Rs. 100—5—125—6—155—E.B.—6—195.

(c) One each at the power houses mentioned above.

(d) Yes.

(e) Does not arise.

SCHOLARSHIPS FOR TRIBAL STUDENTS

1122. Shri Gohain: Will the **Prime Minister** be pleased to state the number of scholarships distributed amongst the tribal students in the North-East Frontier Agency for their primary, middle school, technical and high school education during the years of 1951-52 and 1952-53 and how many scholarships will be given next year for such education?

The Prime Minister (Shri Jawaharlal Nehru): The number of Scholarships awarded to the tribal students in the North-East Frontier Agency for various courses increased from 18 in the years 1951-52 to 111 in 1952-53 as follows:—

Name of Course	Number of awards mad	
	During 1951-52	During 1952-53
(1) Primary	6	43
(2) Middle English	4	29
(3) High English	1	9
(4) *Technical*—		
(i) Motor Mechanics	1	3
(ii) Carpentry	1	2
(iii) Weaving, Spinning etc.	5	25
Total	18	111

It is proposed to increase the number of awards to 160 during 1953-54, as detailed below:—

Name of Course	Number of awards to be made
(1) Primary	60
(2) Middle English	40
(3) High English	20
(4) *Technical*—	
(i) Motor Mechanics (ii) Carpentry etc.	20
(iii) Weaving, Spinning etc.	20
Total	160

INDIANS SERVING UNDER PAKISTAN GOVERNMENT

1123. Prof. D. C. Sharma: Will the **Prime Minister** be pleased to state how many Indians are serving the Pakistan Government in India or elsewhere and in what capacities?

The Prime Minister (Shri Jawaharlal Nehru): No precise information is available at present. Until the proposed Bill of Citizenship is passed by Parliament, the citizenship of all persons claiming to be Indians in Pakistan cannot be precisely determined. It is unlikely that there are any persons of undoubted Indian nationality serving the Pakistan Government in India. Information is however being collected.

AMERICAN STEEL FOR AGRICULTURAL PURPOSES

1124. Shri Bibhuti Mishra: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the weight in tons of 'American steel for agricultural purposes' received so far from the U.S.A. in accordance with the agreement entered into between the Governments of India and the U.S.A. in May and December, 1952;

(b) if the steel for Agricultural purposes has been received, how Government have distributed it to the various States;

(c) the names of agricultural instruments manufactured from the above mentioned steel; and

(d) the quality of the said steel?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). A statement is laid on the Table of the House. [*See* Appendix IX, annexure No. 52.]

(c) As the steel started arriving only recently, information regarding the agricultural instruments actually manufactured therefrom has not yet been received. According to the terms of the agreement the steel is to be utilised for manufacturing improved agricultural implements, cart tyres, irrigation devices, etc.

(d) The quality of steel imported under the scheme is comparable to that of Indian steel.

STOPPAGE OF WORK ON HIRAKUD DAM

1125. Shri B. C. Das: Will the Minister of **Irrigation and Power** be pleased to state:

(a) for how many months during the year 1952-53 the Hirakud Dam and Dyke construction works were stopped due to rains;

(b) how many workers were thrown out of employment due to this stoppage of work;

(c) how many such workers were absorbed in other types of work;

(d) whether the workers, whose services were dispensed with, were served with previous notice;

(e) whether these workers were immediately paid off their dues; and

(f) if not, when the last man was paid off?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Four months from the middle of June to the middle of October.

(b) 591.

(c) None.

(d) The workers are employed for the working season only and have full knowledge of the stoppage of work during the rainy season.

(e) The wages are paid with the least possible delay.

(f) In 15 days.

DUTY ON IRON SCRAP EXPORTS FROM MANIPUR

1126. Shri L. J. Singh: (a) Will the Minister of Commerce and Industry be pleased to state the tonnage of iron scraps so far collected and exported since 1946 from Manipur?

(b) Do Government propose to levy export duties on iron scraps exported from Manipur?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Government have no information.

(b) No such proposal is under the consideration of Government at present.

MIGRANTS FROM PONDICHERRY

1127. Sardar A. S. Saigal: (a) Will the Prime Minister be pleased to state how many families migrated in the last six years from the French Administered Pondicherry?

(b) Where have these refugees settled in India since the 15th August, 1947?

The Prime Minister (Shri Jawaharlal Nehru): (a) The hon. Member's attention is invited to the answer given by me to Starred Question No. 44 answered in the House of the People on 5th November, 1952. According to such information as has been received by the Government of India, about 1,300 persons had migrated from Pondicherry to India as a result of harassment there. Exact figures are not available.

(b) Mostly in the South Arcot District of Madras State.

THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Saturday, the 18th April, 1953

The House met at a Quarter Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part* I)

9-15 A.M.

FINANCE BILL

Mr. Speaker: The House will now proceed with the further consideration of the Finance Bill.

Dr. S. P. Mookerjee (Calcutta South-East): Before that, may I draw your attention to one important matter? Yesterday, you very kindly announced the unanimous recommendation of the Business Advisory Committee and indicated the Bills which were going to be taken up next week, but last night when we got the programme for next week we found that as many as three Bills which were not included in the agreed list have been incorporated in the next week's agenda. Whether they are minor or major Bills, no list is to be revised without consultation. That would cut across the agreed time-table that we had arrived at.

Mr. Speaker: The point is that these are put in, as I am told, only for the purpose of giving hon. Members an intimation as to what Bills are likely to be taken up by Government if time permits, so that hon. Members may study them and give amendments.

Dr. S. P. Mookerjee: You gave us a time-table for 21 days and if the session is going to end on the 15th May, how can additional Bills be taken up? Let us know how many will be taken up.

Mr. Speaker: The practice always is that some minor Bills which are not likely to take much time are included.

Dr. S. P. Mookerjee: Minor or major, Bills are Bills.

Mr. Speaker: If hon. Members are not inclined to spare time, of course, they will not be taken up.

The Prime Minister and Leader of the House (Shri Jawaharlal Nehru): As you have said, Sir, this is the practice that is adopted, so that the contingency may not arise when the House has nothing to do. These are merely put in there for safety's sake, and this does not in the slightest go outside the programme agreed upon.

Dr. S. P. Mookerjee: The Prime Minister is not aware of what we agreed to in your Chamber, Sir.

Shri Jawaharlal Nehru: I am perfectly aware of it. I know that. Still, some Bills are always put in, in case of need.

Dr. S. P. Mookerjee: How many more will come up—let us know that.

Shri Jawaharlal Nehru: It is not a question of how many more. They are put in there for safety's sake.

Mr. Speaker: If we stop on May the 15th and if we act according to the agreed programme and there is no time, naturally these Bills will stand over. Now, we will proceed with the Finance Bill.

Shri Bansal (Jhajjar-Rewari): May I know if we are taking up the Finance Bill only now, or are we considering the Central Excises and Salt (Amendment) Bill also?

Mr. Speaker: That, we shall take later on, at the end in the last hour. I think the arrangement was that the last one hour today would be devoted to that Bill. So at 12-15 today the other Bill will be taken up. This means that the Finance Bill will have to be finished by 12-15—of course, the clause-by-clause consideration included.

Shri K. C. Sodhia (Sagar): Are we taking the amendments as they appear in the Consolidated List or as they appeared originally in the different lists?

[Shri K. C. Sodhia]

In the Consolidated List, one of my amendments has been left out.

Mr. Speaker: We are taking them as they were originally tabled. There is no change. When we come to that particular clause, he may draw my attention.

Shri H. N. Mukerjee (Calcutta North-East): May I point out that according to the arrangement that had been entered into, it was announced that today up to 12 o'clock there would be clause-by-clause consideration of the Finance Bill and from 12 to 1-15 there would be its third reading? That was the arrangement which we came to.

Shri K. K. Basu (Diamond Harbour): The extra one hour was to be had on Monday.

Mr. Speaker: I do not know if the understanding we came to when I made my announcement has been superseded by a further understanding.

Dr. S. P. Mookerjee: Your last announcement was that one hour would be kept apart on Monday. When we made an appeal to you, this is what you suggested last. You may see the proceedings.

Mr. Speaker: I said "the last day on the Finance Bill". I thought that the House would not be sitting on Saturday. That is why I used the expression "the last day".

Shri K. K. Basu: There seems to be a mistake.

Mr. Speaker: Let us not perpetuate it. Now, it is agreed that we shall go up to 12-15 with the Finance Bill, and from 12-15 to 1-15 we shall deal with the other Bill. Supposing hon. Members take a little longer on the Finance Bill, it means that the time for the other Bill will be reduced. My announcement was principally with a view to give a chance to some of those 15 hon. Members who had spoken, so that they may have their say.

Shri Damodara Menon (Kozhikode): Does it mean that we give no time to the third reading of the Finance Bill?

Mr. Speaker: We do give time. Up to 12-15 the time is there. If the clause-by-clause consideration goes up to 12-15, then naturally there will be no time left for the third reading. So, it is for the House. It is not that no time has been given for the third reading.

Shri Nambiar (Mayuram): What about those who had not spoken previously? May I speak during the clauses?

Mr. Speaker: I have no objection.

Shri K. K. Basu: Some time should be allotted for the third reading.

Mr. Speaker: Now, are we seeking to go back on the agreement we arrived at or to revise it?

Shri Frank Anthony (Nominated—Anglo-Indians): May I see a clarification? I was not in the House yesterday, but I find that some time has been fixed categorically for each Bill. I think there has been some misunderstanding. Other Members of the Business Advisory Committee will bear me out. We did not fix any time for each Bill. It was purely tentative and I think the principle that we accepted was that if for some reason—none of us was specifically acquainted with each Bill—one Bill for which we had fixed tentatively five days took seven, then there should be no attempt on the part of Government to curtail the discussion.

Mr. Speaker: What we decided was, in a sense—in a very minor sense—an estimate of the time. We said that it was just possible that some Bill may take a day longer and on some other Bill a day could be curtailed, but all these Bills should be fitted in within the time-limit. That was the point. The whole business should be finished by 15th May, whatever time we take for consideration of each individual Bill.

Dr. S. P. Mookerjee: How can you finish the whole business when the time is already being encroached upon by Government including three more Bills?

Mr. Speaker: Those three Bills will be taken up only if there is surplus time, not otherwise. Supposing the programmed Bills are finished earlier, are we to sit with folded hands? We should have something to deal with.

Shri Frank Anthony: Let us assume for the sake of argument that there are a thousand amendments in respect of the Air Corporations Bill and the discussion takes fifteen days.........

Mr. Speaker: Why should we consider probabilities? When the situation arises, we shall think about it. There is no finality about anything in a moving world.

Dr. S. P. Mookerjee: I suggest that we continue with the clauses up to 11-15.

Mr. Speaker: As the hon. Member suggests, clause-by-clause consideration will last up to 11-15, and then we shall have one hour for the third reading.

Clause 2.—Income-tax and super-tax

The Minister of Finance (Shri C. D. Deshmukh): I beg to move:

In page 1,

for lines 15 to 21, substitute:

"(ii) in Part II, in clause (iii) of the first proviso to paragraph D, for the words 'one anna per rupee of the total income', the following shall be substituted, namely:—

'one anna and six pies per rupee on so much of the total income as consists of dividends from a subsidiary Indian company, and a rebate at the rate of six pies per rupee on any other income included in the total income'."

[MR. DEPUTY-SPEAKER *in the Chair*]

The object of this amendment is to advance the super-tax rebate admissible to foreign companies on the dividend income from Indian companies from one anna to one anna and six pies with a view to attaining the object to which I had already referred, namely, reducing the disparity in tax payable on any business carried on through a branch and a business if it is carried on through an Indian subsidiary company.

Mr. Deputy-Speaker: The question is:

In page 1, for lines 15 to 21, substitute:

"(ii) in Part II, in clause (iii) of the first proviso to paragraph D, for the words 'one anna per rupee of the total income', the following shall be substituted, namely:—

'one anna and six pies per rupee on so much of the total income as consists of dividends from a subsidiary Indian company, and a rebate at the rate of six pies per rupee on any other income included in the total income'."

The motion was adopted.

Shri C. D. Deshmukh: I do not move the next amendment.

Shri V. B. Gandhi (Bombay City—North): I refer to clause 2(b) (i). This clause incorporates the proposal of the Finance Minister to extend the exemption limit for income-tax for individuals from Rs. 3,600 to Rs. 4,200 and for undivided Hindu families from Rs. 7,200 to Rs. 8,400. I was hoping that there would be many Members in the House who would refer to this proposal. But actually only two or three were there who referred to this. And what they said was perhaps the wrong thing to say. They said that they on the whole welcomed the proposal. There are in this House some of us who do not welcome this proposal. It is not, of course, necessary to oppose this proposal since it is only a part of an otherwise very acceptable Budget, as a whole. However, it is a proposal which deserves to be examined from the point of view of the consequences following from the proposal: I mean here financial consequences, fiscal consequences as well as economic consequences. Some of us here really wished that this proposal had not been brought forward at this time. One of the reasons for this position that we take is that just at this time, and in fact in the very same speech in which this proposal was made by the Finance Minister, the Finance Minister announced the appointment of the Taxation Enquiry Commission. Anyway I should like to have this proposal examined from some of these points of view. To be very brief it is a matter which should have been better left to the Taxation Enquiry Commission since this proposal, in a sense, represents a structural change in the Income-tax inasmuch as it deals with the starting point of the Income-tax rate and not with the starting rate of the income-tax. There are certain considerations which should have been considered at an earlier stage, and I hope when the Finance Minister has another occasion to review this whole question of income-tax he will bear these considerations in mind.

Shri Nambiar: I have to make an observation. I could not make it in the general discussion. I oppose the proposal of granting this rebate to foreign shareholders on the ground that the money could be better utilised for other purposes in India. There was a cyclone in Tanjore dis-

[Shri Nambiar]

trict which created havoc, not of an ordinary nature but in which 600 people had been killed, properties worth Rs. 50 crores had been ruined and five lakh coconut trees had been uprooted. And not a single pie of relief was sent by the Central Government in spite of the fact that the Provincial Government had made a request. Only, from Pandit Nehru's Fund Rs. 30 or 40 thousand was sent.

Mr. Deputy-Speaker: This has nothing to do with cyclone. The hon. Member cannot introduce cyclone in every measure. Moreover, this amendment has already been carried. When I put the amendment to the vote of the House I looked around and nobody rose to speak. I will not allow any speech on the amendment. The whole thing is irrelevant.

Shri Nambiar: It was decided......

Mr. Deputy-Speaker: The Consolidated Fund of India is there for various purposes which the country or Parliament approves of. To bring in cyclone, famine and other things here is not right. Let us not stray away from the object.

Shri Nambiar: It is for want of funds.

Mr. Deputy-Speaker: The hon. Member may say it ought not to be given. And he has said enough. The amendment has already been carried. I am sorry he has missed the bus.

Shri Tulsidas (Mehsana West): This is a disadvantage to the Indian subsidiary companies against the foreign branches. I am not opposed to the issue at all, but I would ask the Finance Minister to keep a watch on the aggressiveness of the foreign companies in this country.

Shri C. D. Deshmukh: I would like to answer the question about cyclone. I am not really aware of any request having been forwarded to the Central Government in regard to cyclone. That statement the hon. Member must take from me. So I have had no opportunity of considering what could be done in this matter. The hon. Member mentioned some contribution from the Prime Minister's Fund. It seems to me that, possibly, the request was made to the Prime Minister personally, in regard to the distribution of his Fund, and not to the Central Government as a whole. I am quite prepared to investigate and find out if such a request was received. I am quite certain that if there was such a request, in accordance with the usually accepted principles, it was not turned down due to the lack of resources, because whatever it may be it bears only a small proportion to the total resources at the command of the Central Government.

In regard to the point made by the other two hon. Members, I shall deal with the point made by Mr. Gandhi first—I think this matter was raised by one or two Members in the general discussion. It is always a question of delicately balancing considerations with reference to the prevailing conditions. I think I have mentioned it somewhere that I judge the conditions this year are such that there is a certain amount of lack of purchasing power, and therefore it is regarded as quite orthodox financing to give a little relief to the smaller people, so far as it is intended to be a relief. I have confessed quite frankly that my purpose is not to give relief, but to give relief in the administration, in the sense it gives relief from harassment, because I thought of the very small assessee who has to fill in the forms and go to the Income-tax office for payment of five, seven, ten rupees and so on. So I have no doubt that what we are doing this year, or what we have done in previous years, is not going to prevent the Taxation Enquiry Commission from going into the whole issue very comprehensively, and if they feel that that would be justified as well as circumstances justify it. I have no doubt that they will make recommendations for making a modification in respect of the exemption limits which I am asking the House to accept today.

In regard to the other point, I can assure hon. Members that the interests of Indian industries and indigenous capital are always watched very jealously by the two Ministries concerned, Commerce and Industry and Finance and at various stages, whether it is licensing or whether it is issue of capital or whether it is in any other executive sphere, action is always taken to see that our own people are not edged out by the subsidiaries of foreign concerns. Our only object at the moment is to try and get the "know-how" and foreign investments in certain spheres where we feel it will be in the interests of the country. I do not think anybody will hold that the gradual deterioration of the prospects of our indigenous manufactures should be regarded as being in the interests of this country.

Mr. Deputy-Speaker: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Mr Deputy-Speaker: I would suggest for the consideration of the House that inasmuch as hon. Members wanted some time to be allotted for the third reading and as the Tea Bill will be taken up, one hour will be devoted to that. I think we start the third reading at 11 so that each one of the groups may have an opportunity to speak and the hon. Finance Minister may reply generally for 15 minutes at the end at 12 o'clock. Therefore, hon. Members will bear it in mind that they will have to dispose of all the clauses unless they wish me to apply the guillotine at 11 A.M.

Dr. S. P. Mookerjee: If you keep your eyes shut then it will be finished.

Mr. Deputy-Speaker: I will try to do so.

Clause 3.—(*Amendment of Act XI of 1922*)

Mr. Deputy-Speaker: I would immediately say to avoid any time of the House being taken up that there are a number of amendments which are out of order. They come under two categories. No duty can be increased without the recommendation of the President and those amendments are: Nos. 11, 12, 14, 17, 20, 31, 45, 46, 51, 52, 53, 54, 55, 66, 67, 68, 69, 70, 85, 86, 87, 88, 89, 90, 91, 92, 93 and 94. These are out of order.

There are other amendments trying to reduce or abolish the preferential duty to the United Kingdom. Whatever might be the goodness or the appropriateness of those amendments, when once the preferential duty is reduced, the duty automatically is increased. On that ground, amendments Nos. 96, 97, 98, 99, 100, 101, 102, 103, 104, 105 and 106 are also out of order. Any hon. Member who wishes to move any amendment will not refer to these amendments.

Shri Nambiar: Anything left?

Shri C. D. Deshmukh: May I move?

Mr. Deputy-Speaker: I will give preference to the Finance Minister.

Shri C. D. Deshmukh: There are different sub-clauses. I better move all of them together.

Shri P. T. Chacko (Meenachil): There are amendments to clause 3.

Mr. Deputy-Speaker: I am only taking clause 3. I will not put clauses together when there are amendments. I will ask the hon. Minister to move and then I will come to the other side.

Shri Tulsidas: There are different sub-clauses. Why not they be taken?

Mr. Deputy-Speaker: Let the amendments to be moved by the hon. Minister be disposed of first. Then I will come to the other clauses.

Shri Tulsidas: There are four sub-clauses.

Mr. Deputy-Speaker: Let me dispose of the amendments to be moved by the Government.

Shri C. D. Deshmukh: I beg to move:

(1) In page 3, for lines 1 to 14, substitute:

"(i) the income whereof is exempt under clause (i) of sub-section (3) of section 4,

(ii) which is not expressed to be for the benefit of any particular religious community,

(iii) which maintains regular accounts of its receipts and expenditure, and

(iv) which is either constituted as a public charitable trust or is registered under the Societies Registration Act, 1860 (XXI of 1860), or under section 26 of the Indian Companies Act, 1913 (VII of 1913), or is a university established by law or any other educational institution recognised by, or affiliated to, any such university, or

(v) which is an institution financed wholly or in part by the Government or a local authority."

(2) In page 3, after line 14, insert:

"(2A) For the removal of doubts, it is hereby declared that in respect of sums paid as donations on or after the 1st day of April, 1948, and before the 1st day of April, 1953, the provisions of sub-sections (1) and (2) shall apply as if the amendments made by clause (e) of section 3 of the Finance Act, 1953, had not been made."

[Shri C. D. Deshmukh]

(3) In page 3, lines 20 and 21, for "any loss sustained in a business consisting of speculative transactions" substitute:

> "any loss sustained in speculative transactions which are in the nature of a business".

(4) In page 3, for lines 36 to 42, substitute the following:

> "Provided that for the purposes of this section—
>
> (a) a contract in respect of raw materials or merchandise entered into by a person in the course of his manufacturing or merchanting business to guard against loss through future price fluctuations in respect of his contracts for actual delivery of goods manufactured by him or merchandise sold by him; or
>
> (b) a contract in respect of stocks and shares entered into by a dealer or investor therein to guard against loss in his holdings of stocks and shares through price fluctuations; or
>
> (c) a contract entered into by a member of a forward market or a stock exchange in the course of any transaction in the nature of jobbing or arbitrage to guard against loss which may arise in the ordinary course of his business as such member;
>
> shall not be deemed to be a speculative transaction."

(5) In page 4, lines 12 and 13, for "28th day of February, 1953" substitute "31st day of March, 1952".

Mr. Deputy-Speaker: All these five amendments are now before the House. Does the hon. Minister want to say anything regarding these amendments?

Shri C. D. Deshmukh: The first amendment has this object: (a) the first three conditions to be satisfied are cumulative while out of the last two, only one has to be satisfied. There is some question of drafting there, (b) that an institution meant for a particular religious community only will be excluded but not an institution meant for any backward community, namely Scheduled Castes or Tribes. I want to make that clear. The first part of it is merely to show which are cumulative conditions and which are alternative conditions and the second is that it is not intended to exclude any charities to institutions meant for backward communities like Scheduled Castes or Tribes, that is to say, categorise that community in a religious sense.

Dr. S. P. Mookerjee: Is that a further amendment to amendment?

Shri C. D. Deshmukh: No.

Mr. Deputy-Speaker: There are no more amendments of the kind suggested by the hon. Minister.

Dr. S. P. Mookerjee: Part (ii) of the first amendment of the hon. Finance Minister says: "which is not expressed to be for the benefit of any particular religious community".

Does that stand or is it proposed to be modified?

Shri C. D. Deshmukh: It remains, but "religious community" does not include backward classes or Scheduled Tribes.

Mr. Deputy-Speaker: It is not expressed here in the amendment. The hon. Minister means that a religious institution does not exclude backward classes.

Shri C. D. Deshmukh: I really wanted to make that clear while moving this.

Mr. Deputy-Speaker: Does it include a temple?

Dr. S. P. Mookerjee: For the purpose of clarification. It is suggested by the hon. Minister that if there is a donation for the benefit of Scheduled Caste Hindus, then that will not be barred.

Mr. Deputy-Speaker: It will not be barred?

Dr. S. P. Mookerjee: Or non-Scheduled Castes, that also will not be barred?

Mr. Deputy-Speaker: That will be barred.

Shri C. D. Deshmukh: A religious community...........

Dr. S. P. Mookerjee: It is a part of "religious community".

Shri C. D. Deshmukh: Scheduled Castes have social disability.

Dr. S. P. Mookerjee: Whatever Government's intention may be should not be left to doubt. It should be specifically stated in the amendment itself. If the Government proposes that any donation for the benefit of the Scheduled Castes should also have an equal exemption, let it be mentioned there clearly so that there may not be any doubt.

Shri C. D. Deshmukh: I have no objection if an explanation is inserted.

Dr. S. P. Mookerjee: The hon. Finance Minister may also add institutions for the benefit of women and children because in our Constitution itself, these are three categories which are exempted from the general class. There may be an explanation like this:

> "Anything that is done for the benefit of women and children or Scheduled Castes or backward communities will be excluded from the general class."

Shri C. D. Deshmukh: I am content to accept that. It will be drafted.

Shri Bansal: May I make a suggestion?

Shri C. D. Deshmukh: An explanation for the purpose of this sub-clause may be added:

> "Religious community shall not include any institutions meant for any backward community, *viz.*, Scheduled Castes or Tribes or for promoting the welfare of women and children."

Shri K. C. Sodhia: May I suggest that the word 'exclusive' be added before the word 'benefit'?

Shri C. D. Deshmukh: That meets it, perhaps. It may be argued that an institution which caters to the welfare of both men and women is also an institution which benefits women.

Mr. Deputy-Speaker: What the hon. Member evidently wants is 'for the exclusive benefit of any particular religious community'.

Shri C. D. Deshmukh: I thought exclusively for Scheduled Castes or exclusively for women and children.

Shri K. C. Sodhia *rose*—

Mr. Deputy-Speaker: Anyway, the hon. Minister is not accepting the suggestion.

Shri Bansal: In my opinion the difficulty comes on account of the use of the word 'community', because in this country the meaning we attribute to it is different from what it actually is. I would also suggest that the explanation which the hon. Minister wants to add will be contradictory to the words 'religious community'. Take for example the word 'Harijans'. Now there are many benefits meant for the use of Harijans. But 'Harijan' is also a religious community. My suggestion, therefore, would be to substitute for the words 'religious community' the words 'for the benefit of narrow sectional interests, or'.....

Mr. Deputy-Speaker: Any religious community is proud of itself, whether it is called narrow or not. It is casting unnecessary aspersion.

Shri C. D. Deshmukh: I thought with the explanation it should be all right.

Dr. S. P. Mookerjee: With regard to this amendment, I have to make a suggestion relating to part (iv). The amendment refers to 'a university established by law, or any other educational institution recognised by, or affiliated to, any such university'. Then part (v) says: 'which is an institution financed wholly or in part by the Government or a local authority'. But there are a number of well-equipped institutions which are not recognised by universities, but recognised by Government. They are excluded. For instance the *Gurukuls*.

Shri C. D. Deshmukh: Are they not financed in part by Government?

Dr. S. P. Mookerjee: They may not receive any aid. They are independent institutions, but recognised by Government. Why not add: "Affiliated to any such university or recognised by Government"?

Shri C. D. Deshmukh: I think 'recognised' is a term of art. It has a special connotation—recognised for purposes of assistance. I am not aware of recognition without any intention to give any assistance.

Mr. Deputy-Speaker: There are two kinds of recognition: recognition

[Mr. Deputy-Speaker]

for purposes of recognising a degree, as in the case of a university—whether grant is given or not. The other is recognition for the purpose of giving grants in aid. Both of them are contemplated here. For instance the wording of sub-clause (iv) reads, "a university established by law or any other educational institution recognised by, or affiliated to, any such university." A university may not give a grant to any educational institution, it is only for the purpose of enabling its students to appear for a degree of the university, that it may recognise an educational institution. Therefore, it applies to both.

Dr. S. P. Mookerjee: I can refer to a number of technical institutions which are not affiliated to any university, but which are recognised by Government. Their degrees are also recognised. Take for instance Jadhavpur, the *Gurukul* institutions. The United Provinces Government have recognised the *Gurukuls* and give them proper facilities. It is not the intention of Government to exclude such categories of *bona fide* institutions.

Mr. Deputy-Speaker: The polytechnics in Madras and other places are recognised by Government, but not by universities.

Shri C. D. Deshmukh: Are they not registered? I should imagine that any worthwhile institution would be registered. That is a much wider category. If it is not a university established by law, it would be a registered society. I think most of the cases which the hon. Member has in mind will be covered by the first comprehensive word.

Shri T. S. A. Chettiar (Tiruppur): For instance an individual may conduct an institution on these lines. It will not be a registered body, but still it will be something in which, the intention is, this help may be forthcoming. "Recognised by Government" is a good phrase which we can add.

Shri C. D. Deshmukh: I have no objection, because I do not suppose there will be very many, and as I argue to myself, if it is recognised, then probably it is doing good work and there is a special reason why it should not be excluded. I would like to know the form of words which the hon. Member has in mind.

Mr. Deputy-Speaker: We may have it this way: "or any other educational institution recognised by Government or affiliated to any such university". So the recognition will be by both and the affiliation will be to one.

Shri Ramachandra Reddi (Nellore): I have an amendment to the first amendment moved by the hon. the Finance Minister.

I beg to move:

In the amendment moved by Shri C. D. Deshmukh, for the proposed part (ii), substitute:

> "(ii) which is expressed to be earmarked for the promotion of educational, social and economic well-being of the public or any section thereof."

There are certain religious institutions which undertake education, medical relief or other social service As part (ii) stands now, such religious institutions may not get the benefaction of any individual or philanthropist. My amendment will cover this For instance there is a medical institution run by the Tirupathi Devasthanam. It is an institution which caters to the needs of all communities. There is a leper colony maintained by the temple. A philanthropist any come forward and offer a donation to the colony. That will be barred by part (ii). So, in these circumstances, if my amendment is accepted, it will clarify matters better.

Mr. Deputy-Speaker: The original amendment is a negative one: this is a positive one.

Shri C. D. Deshmukh: My reply is, in the sort of case that the hon. Member has in mind, it would be best to segregate those charitable activities and form a registered society, in which case the benefit of this clause would be available.

Mr. Deputy-Speaker: Even if a medical institution is there, if money is granted for the purpose of a medical institution run by the Tirupathi Devasthanam, it does not stand in the way of part (ii). It is not expressed to be for the benefit of any particular religious community. It is not going to be said so I think the amendment is not necessary for the reason that if a leper clinic is run by a religious institution or a temple or a community, if money is earmarked and granted for, the benefit of that leper clinic, where all people are admitted, this would not stand in the way.

Shri C. D. Deshmukh: It is either unnecessary or unacceptable.

Dr. S. P. Mookerjee: If you say Hindu lepers only, it will.

Shri C. D. Deshmukh: Yes.

Mr. Deputy-Speaker: So far as leprosy is concerned, it is a dangerous thing.

Shri Tulsidas: I have also an amendment. It was on the same previous clause.

Mr. Deputy-Speaker: No, no.

Shri Tulsidas: This is a new clause. This is to substitute the same clause which was there previously. This amendment says: "which is not expressed to be for the benefit of any particular religious community". I feel that here we are legalising something that has not been sanctioned by Parliament up till now, but was being done by administrative instructions. The Finance Minister said last time that he is only doing what had been done so far.

Shri C. D. Deshmukh: Which amendment is the hon. Member referring to?

Shri Tulsidas: It is amendment No. 33. I would also like to refer to article 30, clause (2) of the Constitution. According to the amendment of the Finance Minister, it will mean that it is not expressed to be for the benefit of a particular religious community. In clause (2) of article 30 of the Constitution it is stated:

> "The State shall not, in granting aid to educational institutions, discriminate against any educational institution on the ground that it is under the management of a minority, whether based on religion or language."

This will be discrimination in my opinion as any institution, if it is based on religion, even of a minority community, will not get the same exemption. Therefore, in my opinion, it will be discrimination. Since we have adopted this principle in our Constitution, we must abide by it fully. We have to look to other countries also which are not theocratic, like the U.S.A., having a similar provision. They do not make any discrimination in the case of religious community or anything of the sort. A person is allowed to donate to any Church of whatever faith. Why should we not go to that length; why should we discriminate on grounds of faith? If anybody has faith, why should he not be allowed to donate and have the same exemption and the same right. I consider that this is making discrimination.

In my amendment, I have also suggested............

Mr. Deputy-Speaker: The fundamental right is only in regard to educational institutions even though established by a religious minority.

Shri T. S. A. Chettiar: If I may point out, the interpretation of my hon. friend is not correct. What the article in the Constitution refers to is the management of the religious institution. If the institution itself caters to all sections of the community, the contribution will get exemption—be it managed by whatever society whether Hindu, Christian or any other society. The clause refers to contribution to institutions which admit, all communities. The Constitution refers to institutions managed by certain communities. It says: the State shall not discriminate between institutions managed by the various communities. That has nothing to do with this clause. This clause is all right under the Constitution.

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Shri Tulsidas: 'Managed' means, a particular religious community will be managing. It will be suffering from some sort of disqualification.

Shri T. S. A. Chettiar: No, no. He is wrong.

Shri Tulsidas: Any way, that is my opinion, I have further suggested in my amendment that I am opposed to the reduction of the limit from ten per cent. to five per cent. There is an anomaly here to a particular section of the assessees. Let us take a person whose income is Rs. 5,000. He will not be given any benefit under this exemption because five per cent. comes to Rs. 250. A sum over Rs. 250 cannot be paid because it will be over five per cent. he cannot get exemption for Rs. 250 because that is the minimum. This is an anomalous situation. In other countries like America, it is allowed up to 15 per cent. of the total income. In Australia, it is much more. In Canada it is ten per cent. I do not understand why even this small limit of ten per cent. which was there should be reduced to five per cent.

Mr. Deputy-Speaker: Is that in the same amendment?

Shri Tulsidas: Yes. My amendment is No. 33. With regard to the

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question of percentage, I feel that we should keep the same percentage that was there before, namely ten per cent. instead of five. With regard to "religious community". I think it is no use allowing the secular sentiment to go beyond a particular limit.

With regard to the reduction from 2½ lakhs of rupees to one lakh, I have suggested 1½ lakhs. I do not mind the reduction in the larger amount. Here again, if we accept the amendment of the Finance Minister, there will be more assessees who would be affected by the former 2½ lakhs than the latter one lakh. We will get more assessees to pay this contribution. This is my amendment. I have put the amendment on this basis.

I beg to move:

In pages 2 and 3, for lines 36 to 53 and lines 1 to 14 respectively, substitute:

"(c) for sub-sections (1) and (2) of section 15B, the following sub-sections shall be substituted, namely:—

'(1) The tax shall not be payable by an assessee in respect of any sum paid by him on or after 1st April, 1953 as donations to any institution or fund to which this section applies:

Provided that in the case of a company this exemption shall apply only in respect of income-tax and not in respect of super-tax payable by it:

Provided further that this exemption shall not apply—

(a) if the aggregate of the sums so paid by the assessee is less than two hundred and fifty rupees.

(b) to any sums paid in excess of one-tenths of the assessee's total income as reduced by any portion thereof exempt from tax under any other provisions of this Act, or one hundred and fifty thousand rupees whichever is less.

(2) This section applies to any institution or fund established in the taxable territories for a charitable purpose—

(i) the income whereof is exempt under clause (i) of sub-section (3) of section 4, or

(ii) which is either constituted as a public charitable trust or is registered under the Societies Registration Act, 1860 (XXI of 1860), or under section 26 of the Indian Companies Act, 1913 (VII of 1913) or is a university established by law or any other educational institution recognised by, or affiliated to, any such university, or

(iii) which is an institution financed wholly or in part by the Government or a local authority, and

(iv) which maintains regular accounts of its receipts and expenditure'."

Dr. S. P. Mookerjee: Of course, the Government has made up its mind. The only exception which the Government is prepared to make is in regard to backward communities, Scheduled Castes, women and children. But, I do feel that this is a move in the wrong direction. After all, our country is a secular country in the sense that it has no prejudice against a particular religion, or that it does not favour any particular religion as such. But, I take it, it is not anti-religious. Supposing there is some donation made for some *bona fide* purposes which lead to the religious advancement of one or the other of the great communities of India. There is no reason why the Government should take up this sort of obnoxious and obstructive attitude. The Finance Minister may correct me if I am wrong; but I believe a similar provision exists in the U.S.A. where there is no exception made with regard to purposes for which a donation may be given, unless, of course, it is against the interests or society. I could have understood if the Government had said that; if in the garb of making a donation for the advancement of a religious community, something is done which is against the best interests of society, obviously, Government should not recognise it. We have so many *mutts*, so many temples, so many *dharmasalas* which are not institutions exactly meant for individual benefit. But that has got a great public value as well. If a donation is made for some such purposes why should not the Government grant to it the same benefit which is being granted for other purposes? This, I say, is not a move in the right direction, and I am sure large sections of the people, no matter to which community they belong, will disapprove of it. I am not speaking as a Hindu here. For example, a donation is made for the advancement of the Muslim community or for the Jains or for the Christians. There is no reason why

Government should have taken up this sort of attitude, and I can only express my regret that this should have been the case.

Mr. Deputy-Speaker: The original is "for the benefit of any particular community". This only enlarges the amendment. It does not taboo. Hon. Member will kindly look into the original, that is the Bill as introduced. It reads:

> "(ii) which is not expressed to be for the benefit of any particular community".

The clause applies to any institution.

Dr. S. P. Mookerjee: Take for instance, the Ramakrishna Mission. A donation of Rs. five lakhs is made for the maintenance of one of its fine educational institutions. Well, according to this policy, you cannot grant it this exemption.

Mr. Deputy-Speaker: No. It can be said: "The high school maintained by the Ramakrishna Mutt". Then it will be exempt. It is not for the purpose of a religious community, but the high school is open to all people.

Dr. S. P. Mookerjee: The Constitution provides that there may be educational institutions for particular religious communities. Supposing you make a grant for a *Maktab* for the Muslim community, or for a Hindu college which is otherwise good, which is recognized by the university, which is being run as a first-class institution, then the exemption will not be given by Government. That was my point.

Shri T. S. A. Chettiar: There seems to be a little confusion. What is barred is, if any contribution is to be made to a temple for a purely religious purpose, then this clause bars that contribution from getting the benefit of section 15B, but if the Ramakrishna Mission or the Weslyan Mission or the Catholic Mission run a college, a high school or a hospital which is recognized by the Government or by the university or get help from local boards, those institutions get the benefit of proposed section 15B. And so, let us not.........

Mr. Deputy-Speaker: Hon. Member ignores the fact that under article 30 (1) it is open to a religious minority to establish an educational institution solely for the benefit of that community.

Dr. S. P. Mookerjee: Exactly.

Mr. Deputy-Speaker: Now, clause (2) of article 30 has to be read along with clause (1) of that article. That means, no discrimination shall be made even in the case of such institution, established by a minority for the benefit of its members, which is a religious one.

Dr. S. P. Mookerjee: That is what I am saying.

Mr. Deputy-Speaker: The hon. Member evidently wants to read clause (2) of article 30 as detached and as having no relation to clause (1). Both of them should be read together.

Dr. S. P. Mookerjee: In fact, I would ask the Finance Minister, now that you have mentioned this, Sir, to read article 30 (2):

> "The State shall not, in granting aid to educational institutions, discriminate against any educational institution on the ground that it is under the management of a minority, whether based on religion or language."

Shri T. S. A. Chettiar: My point is supported by this article:

> "The State shall not, in granting aid to educational institutions, discriminate against any educational institution on the ground *that it is under the management of a minority*..........."

Mr. Deputy-Speaker: The hon. Member will kindly read it along with clause (1) of the article.

Shri T. S. A. Chettiar: All minorities, whether based on religion or not, have a right to establish institutions of their choice.

Mr. Deputy-Speaker: Therefore, they can say that a Christian college is established only for Christians.

Shri C. D. Deshmukh: We were dealing with only minorities, whereas here, a religious community is not a minority.

Mr. Deputy-Speaker: It may be a religious minority.

Shri C. D. Deshmukh: It may be, but it may not be. Therefore, there is no question of discrimination against a minority.

Mr. Deputy-Speaker: All that our friends say is that this amendment that is moved is so general, that it does not exempt even those institutions.

Shri C. D. Deshmukh: It is so general that it does not discriminate against any religious community.

Mr. Deputy-Speaker: It imposes a ban on all?

Shri C. D. Deshmukh: Yes, on all people. Therefore, this clause has no bearing on it.

Shri T. S. A. Chettiar: May I continue what I was saying? The policy of our State Governments, as well as, I believe, the Government of India, is that they do not give aid or help to such institutions which cater only to one minority or community.

Mr. Deputy-Speaker: They say it is wrong, opposed to the Constitution. I am not going to decide it. It is for the House to decide the matter. It will take all the points of view into consideration in the matter of voting. The Speaker has no right except to point out the difficulties underlying both for and against whatever has happened in the House. It is for the House to find out whether it comes under article 30. One view is that article 30 (2) ought to be detached, that is, it is the management of an institution that is relevant, but the institution may not cater to the general public. The other view is that clauses (1) and (2) must be read together. Article 30 (1) confers the privilege on a religious community to establish an institution of its own choice, and the contention is that clause (2) in the same article must apply to clause (1); that means, no discrimination even in the cases where it is a special privilege conferred by the Constitution on a religious community. That is the other side. They feel that for religious institutions there is difficulty. Hon. Finance Minister says: We are not discriminating against any particular community. There is no discrimination at all. This is a general exclusion regarding all communities, big and small alike.

Now, therefore, I will put the amendment to the vote of the House.

Shri C. D. Deshmukh: I have not given a reply to............

Mr. Deputy-Speaker: One word before he begins. We have had sufficient discussion, but if any hon. Member wants further discussion, I have no objection to allow him. For that purpose, I will not go back to sub-clause (c) of clause 3. This relates to proposed sub-section (2) of section 115B.

Shri P. T. Chacko: I want to say a word.

Mr. Deputy-Speaker: We are dealing with sub-clause (c) of clause 3. The amendment moved by the hon. Minister relates to lines 1 to 14 of page 3, relating to any institution or fund established in the taxable territories for a charitable purpose. Any hon. Member who wants to say anything against this, or wants to add or subtract or give an amendment, he may do it now.

Shri P. T. Chacko *rose.*—

Mr. Deputy-Speaker: Does it relate to this?

Shri P. T. Chacko: Yes. My Amendment is No. 4. It reads:

In page 3, line 1, for "clause (i)" substitute "clauses (i), (ia) and (ii)".

Certain donations to certain institutions are exempted. Now, the institutions to which this clause applies come under proposed sub-section (2), and under that the first part is:

> "(i) the income whereof is exempt under clause (i) of sub-section (3) of section 4."

Now, under clause (i) of sub-section (3) of section 4 the income from certain properties is exempted. No institution is exempted. Only the income from certain properties held under a trust or a legal obligation is exempted under clause (i) of sub-section (3) of section 4.

Mr. Deputy-Speaker: Has he got the Income-tax Act with him?

Shri P. T. Chacko: I have got it, Sir.

Mr. Deputy-Speaker: Let us see. What does it specifically refer to?

Shri P. T. Chacko: It reads:

> "(3) Any income, profits or gains falling within the following classes shall not be included in the total income of the person receiving them:
>
> (i) Any income derived from property held under trust or other legal obligation wholly for religious or charitable purposes, and in the case of property so held in part only for such purposes, the income applied, or finally set apart for application thereto."

Now, an institution may be having income from properties, which comes under sub-clause (i), that is, from properties held under a trust or legal obligation. But the same institution may also be having other properties and other incomes. For instance, obviously, under this clause, a part of the income of an institution which is receiving a donation, is from donations. Donation is a particular item coming under sub-clause (ii) of section 4 (3) of the Income-tax Act, which reads:

> "Any income of a religious or charitable institution derived from voluntary contributions and applicable solely to religious or charitable purposes."

So, evidently when you consider the case of an institution, the entire income of the institution will not come under section 4 (3) (i) of the Income-tax Act, which refers only to income derived from particular properties only. The institution will also have income from other sources, say donations. Otherwise, how can you donate to that institution? So, donations come under section 4 (3) (ii). It is therefore necessary that donations should also come under this clause. You cannot donate to an institution which is not having an income from donations. Under this clause, only institutions whose income is confined to certain properties only held under trust or legal obligation, come in. If an institution gets a donation, it gets an income from another source. That source also has to be added here. An institution may have an income under section 4 (3) (ia). I would like to add that also here. Under the Income-tax (Amendment) Bill which is pending before the House, this part (ia) is intended to be deleted and brought as a proviso to sub-section (3) (i) of section 4 of the Income-tax Act. So part (ia) might have been omitted on that ground. But I submit that part (ii) should be added to clause 3 (c) (2) (i). I hope I have made myself clear.

Mr. Deputy-Speaker: What is the object of bringing this in the Finance Bill under this sub-clause? Independently of the Finance Bill, the Income-tax Act provides for this.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The position is this. This section 15B is totally different from the charging section referred to. My hon. friend has in mind the charging section, which is section 4. There is no point in relating section 15B to the charging section which stands on an entirely different footing. It does not relate to a charitable institution as such, but only to those people who give their donations to charitable and other institutions. Merely because of some kind of similarity in nomenclature, this matter has been causing a certain amount of confusion. Here is something, the benefit of which *inter alia* goes to charitable institutions, and therefore my hon. friend goes to the root of the problem and goes over to the charging section and wants the inclusion of the sub-clause relating to the income of charitable institutions. The one has nothing to do with the other.

Shri P. T. Chacko: The position is this. Now only a donation given to an institution whose entire income is from properties held under trust or legal application is exempted. Supposing the institution is having income from donations..........

Shri Achuthan (Cranganur): We are concerned with donors and not donees.

Shri P. T. Chacko: The question is whether a donation given by a particular person is exempted. That is the main issue. If I give thousand rupees to an institution, the question is whether this is exempted or not.

Shri B. S. Murthy (Eluru): You are exempted.

Shri P. T. Chacko: As it is drafted now, only if it is given to an institution whose entire income comes from properties held under trust or legal obligation, I am exempted. Supposing there is an institution which is not held under trust or legal obligation, but is having properties which are held under trust or legal obligation, and also income from donations then obviously if I donate to an institution which is having an income from donations also, then I would not be exempted under the present provision.

Mr. Deputy-Speaker: The matter is clear. Only I think there is a difference. A religious institution is not taxable. The income of a religious institution either derived from property or from business solely carried on for the purposes of the institution, or even the income of a religious or charitable institution, derived from voluntary contributions is

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not subject to assessment, and as a charitable institution, it cannot be an assessee. But here we are dealing with a non-religious gentleman or a religious person making a contribution to a religious institution. The point now is whether in his case, as an assessee, the exemption should be given or not.

Shri T. T. Krishnamachari: That is correct.

Mr. Deputy-Speaker: There is a difference. Under the present Income-tax Act, the income of a religious institution, even though established for a single community is not liable to taxation. In the Finance Act, all that is done is to encourage charities in the hands of a person or a businessman who is a secular gentleman, who wants to satisfy himself by paying something to a religious institution. The question is whether in his case, this exemption should be given or not. If it is given only for a sectarian purpose or only for a particular religious community, the hon. Minister does not want to exempt. So, I think the points that have been raised are out of place, and the hon. Member has merely made a confusion—or let me not use the word 'confusion', but say anyhow that they do not arise out of this.

Shri P. T. Chacko: I would like to get an explanation from the hon. Minister.

Mr. Deputy-Speaker: I have given the explanation.

Shri C. D. Deshmukh: I agree that it is unnecessary, as you said. Inclusion of section 4 (3) (ii) is unnecessary.

✓ **Shri Syamnandan Sahaya** (Muzaffarpur Central): You mean those institutions which maintain regular accounts or something like that? *(Interruption)* You are now referring to your amendment.

Shri C. D. Deshmukh: Clause 3 (c) (2) (i) will take care of all possible cases.

Mr. Deputy-Speaker: My further point is this. Why should part (i) also be there? If my interpretation is correct, then income from any charitable institution cannot be subject to assessment, whether it is income derived from property or any business carried on for the purpose of the institution, or from voluntary contributions. That stands on a different footing. Here what is sought to be exempted under the Finance Bill is any contribution made by a person to such an institution. In his hands, it is his income. Are we to give an exemption for that or not? If that is the point, then why should parts (i), (ii) and (iii) also stay? They also seem to be unnecessary.

Shri P. T. Chacko: Then it is all right.

Mr. Deputy-Speaker: Or, as Mr. Chacko says, let all of them remain. Let the whole thing remain.

Shri T. S. A. Chettiar: Under the Income-tax (Amendment) Bill, any business done by a charitable institution will be chargeable to income-tax.

Mr. Deputy-Speaker: This is anticipating that Bill. Now we can deal with the existing Act only.

Shri P. T. Chacko: As the clause stands now, it applies only to an institution which has got an income only from properties held under a trust or legal obligation. But the institution may have other sources of income.

Shri Bansal: This sub-clause (2) of clause (3) (c) defines charitable purposes. It is put there to qualify charitable institutions. But I agree with Mr. Chacko that this is not complete. Therefore, I would make a submission that we should revert to the position in section 15B of the Income-tax Act, where in the Explanation, it is said:

> "In this section, 'charitable purpose' includes relief of the poor, education, medical relief, and the advancement of any other object of general public utility."

Then parts (ii), (iii) and (iv) as amended by the hon. Finance Minister will come as limiting conditions on charitable purpose. 'Charitable purpose' is there defined in the Act already in two places. That definition can be put here as an explanation to sub-clause (2), that is, "Explanation—In this section 'charitable purpose' will mean this......"—then these other limiting conditions will come.

Dr. N. B. Khare (Gwalior): What is before the House? A stalemate?

Mr. Deputy-Speaker: The House is considering leisurely which the hon. Member very often advises the House. What does the hon. Minister says?

Shri Syamnandan Sahaya: I want to say a few words, if I may be permitted, on this matter. I shall speak after the hon. Minister.

Mr. Deputy-Speaker: After him, I will not allow.

Shri Syamnandan Sahaya: The Bill, as introduced, has a sub-clause—"which is not expressed to be for the benefit of any particular community". Now, the amendment by the Finance Minister reads:

> "Which is not expressed to be for the benefit of any particular religious community."

I submit that the addition of the word 'religious' expands the scope of the Bill as introduced and, in my humble opinion, is not permissible as an amendment. The Bill as introduced envisaged benefit to any particular community. That was understandable. But when you say 'any particular religious community', then the purpose and the scope of the Bill are expanded, and I do not think that can form the subject matter of an amendment. The Bill has not been referred to a Select Committee. Therefore, there was no occasion to consider all the implications that the introduction of the word 'religious' would have. I submit not merely for the consideration of the House but particularly for your consideration whether or not the addition of the word 'religious' expands the scope and changes the purpose of the Bill as introduced.

Apart from this question which I have submitted for your consideration—I have not had the pleasure of listening to the hon. the Finance Minister; perhaps he has not spoken on this particular subject and he may do so. I have no doubt—I do not see any point in introducing the word 'religious'. After all, if the idea is that ours is a secular State, we do not limit the scope of this charity to any particular religion. If we allow this exemption, the benefit of this exemption will be enjoyed by all religious communities. It is, therefore, perfectly in keeping even with our policy of secularism to allow this exemption. I do not know whether the hon. the Finance Minister has any personal experience of the different types of religious trusts and religious charities, but from what little I have known of them, perhaps in 99 cases out of 100 it will be found that about 90 per cent. of these religious trusts, although dedicated to the temple, are utilised for purposes of public utility, as for instance, help to the poor, education, schools run under religious institutions, medical relief etc. Now, the difficulty is that if we just use the word 'religious', then it will lead to a different type of interpretation and even the relief which was given under a trust, which could really be called a religious trust—different kinds of facilities, amenities, reliefs granted to the poor, the sick, the illiterate—will all be denied. I have no doubt neither the Government nor the hon. the Finance Minister would have it in view to deprive these beneficiaries from the advantage that was accruing to them, and would be accruing to them, if the word 'religions' had not been added.

Then, again—I do not know whether I should in this matter bring other matters into consideration—it appears to me that this is a matter which deserves very serious consideration of this House and also of the Government. At all places and at all times, day in and day out, the only plank that we seem to have is 'banish religion'. I do not think it is going to do good to anybody. The trends that we see in this world today—even in a country like Russia when Stalin was ill, we read in the papers of prayers being offered in temples, mosques and in churches—are different. After all, an attempt to banish religion has been made in the past, as will be evident from history, by many a person. But they have all miserably failed to do so. I do not know how far the hon. the Finance Minister will succeed in doing it. But if I may suggest for his consideration and the consideration of his Government, I think it will be impolitic—to put it very moderately—to introduce the word 'religious' in this amendment. As I said, I say so not merely on the ground that particular religious communities or religious institutions will be benefited, but also on the ground that under religious trusts great benefit accrues to other types of indigent people who are in sore need of assistance. I do not know if the Government have made any attempt to scrutinise the different types of trusts, religious trusts that are working and to see how the expenditure of the amount secured by the trusts is made. If they had made a survey or if a committee had been appointed to go into the ques-

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tion, perhaps they might have had facts to consider whether the money was really squandered or used, for the benefit of the people at large. Not having done that, I do not think it would be right at this stage to introduce the word 'religious' in this amendment.

Then, Sir, perhaps you may be aware that of late in many States in this country legislation had been passed bringing under control of a Government Committee all such religious and charitable institutions. Therefore, an amount of control and check is being placed by local Governments on the expenditure of such trusts. There should, therefore, be no apprehension that the amount available to these charitable trusts would in any way be mis-spent.

I do not think this point needs to be argued at any great length. Apart from the points that I have placed before the House, I will also appeal to the hon. Finance Minister to consider this matter very carefully. Of course, if there is any decision of the Cabinet, I do not know what he will be able to do. Even if there is any such decision, I think it is a matter which should be kept pending and may be referred back to the Cabinet for further consideration being given to this matter. Personally, I feel that it would be suicidal, it would be highly impolitic and wrong to exempt religious institutions from receiving the benefits that would accrue under this clause of the Finance Bill.

Shri C. D. Deshmukh: So far as religious institutions are concerned, I think the objections are based on a misunderstanding. As I said in the course of my speech on the debate on the motion for consideration, this is no new introduction, that is to say our administration of the present section 15B has also been guided on the same considerations. If it was ensuring to the benefit of any religious institutions, then those donations were not "approved" for purposes of section 15B. Therefore, the first point that I wish to make clear is that no new change is being introduced.

The second thing is that even in section 4, charitable purpose includes relief of the poor, education, medical relief and the advancement of any other object of general public utility but nothing contained in sub-clauses (1)(a) or (2) shall operate to exempt from the provisions of this Act that part of the income of private religious trusts which does not ensure for the benefit of the public.

In other words, if the income is to be assigned only to the benefit of a particular community, that does not secure the exemption given under section 4. What we are doing now in regard to section 15B is analogous. That is the next point, I wish to make.

Mr. Deputy-Speaker: But why does it include part (i), 'the income whereof is exempt under clause (i) of sub-section (3) of section 4'?

Shri C. D. Deshmukh: I am just on the religious point, not on the point of inclusion of parts (i) and (ii).

The third point I wish to make is in regard to this article which has been read out. As I have already urged, in my view, this article of the Constitution has no application at all. We are not here seeking to discriminate against any minority: we are hitting all religious communities alike, with equal impartiality. That being so, there is no question of discrimination. So, it seems to me to be unnecessary to go into the question of the interpretation of clause (2) of this article. Since this point has been taken, I think attention should be directed to the question of management and not the question of benefit. What we are dealing with here is the question of the community which benefits from a certain charity or a certain donation. It is not a question of management at all. As you observed, Sir, in the course of this discussion, if an institution is run by any religious community and the advantage of it is reaped by all without distinction, then donations to such an institution will not be debarred. Supposing there is a high school or a leper asylum, then whatever is donated to that institution will not be debarred. Therefore, we are not introducing any new principle in the name of secularism. We are only repeating in another form the provision which already exists and continues as an administrative practice, which is already in operation.

The next point is the one raised by Mr. Chacko. I think, he is right: that is to say, once we say charitable institutions, then either we ought to do as Mr. Bansal suggested, that is to say, depend on the definition of charitable purposes or, if we want to particularise this, we must particularise in a way which does not discriminate between one kind of institution and another.

Mr. Deputy-Speaker: The hon. Minister, I think, has read through this. I should reason thus: Part (i) refers to some substantial and definite institution where there is property attached. The other is in a nebulous state; nobody can be sure of it. If the income of religious or charitable institution is income derived from voluntary contribution, it may stay or it may not stay. It is a nebulous institution. Contributions by anybody to such an institution may stand or may not stand. The Government wants to distinguish between a definite institution that is standing on its own legs and an institution which is not so.

Shri C. D. Deshmukh: It is to be registered, Sir.

Shri Bansal: That will be taken care of.

Mr. Deputy-Speaker: Under the Societies Registration Act, anything can be registered. If some persons join together and pay Rs. 50, they can have it registered. I thought that proposed sub-sections (1)(a) and (2) have been added for the reason that in those cases there is no guarantee or certainty that the institution has established itself so as to deserve the kind of exemption. It may be a take one. After all, it may specify some purpose which has really no foundation and may go back through another door to himself.

Shri P. T. Chacko: May I point out that in sub-sections (1)(a) and (2), the reference is to the income and not to the institution.

Mr. Deputy-Speaker: I know. This applies to any institution or fund established in the taxable territories for a charitable purpose, the income whereof is exempt. They do not once again define what this charitable institution is to which this donation is made. They are content with the earlier one.

Shri P. T. Chacko: In part (i), it is limited to, 'the income whereof is exempt under clause (i) of sub-section (3) of section 4'. Only those institutions whose income is derived from properties held in trust come under part (i).

Mr. Deputy-Speaker: Yes.

Shri P. T. Chacko: So, the definition is limited as Mr. Bansal said.........

Mr. Deputy-Speaker: That is to say that when such institution has property....

Shri P. T. Chacko: There can be no such institution where the entire income is derived from properties.

Mr. Deputy-Speaker: The Government do not want to recognise all and sundry institutions which depend upon the donations only. Therefore, there is no lacuna in this. Government is prepared to recognise as in the last year's Finance Act, only substantial institutions. They reserve the right to Government to recognise particular institutions for which financial grants are made. Now, they have made it general and with that view they do not want to recognise all and sundry institutions. Those institutions which come under a particular category, which have some stability, such as educational institutions, they are prepared to recognise.

Shri C. D. Deshmukh: The best thing for us then would be to consider the point raised in the course of the year and if our experience shows that any deserving institutions are left out because of our confining ourselves to particular institutions, it would be possible for us to amend.

Dr. S. P. Mookerjee: May I know whether any new change is being introduced so far as the inclusion of religious institutions is concerned? What was happening up till now was that they were taking administrative decisions. This is the first time that the matter is coming up before the Legislature. Is that correct?

Shri C. D. Deshmukh: The definition of chartable purposes is a part of the Act.

Mr. Deputy-Speaker: It is in section 4.

Shri T. T. Krishnamachari: The point raised by the hon. Member is whether this question of discrimination has all along been one of administrative discretion and that is sought to be done away with. This is precise for the institutions as could be brought in. That is the purpose and the point has been made clear by the Deputy-Speaker.

Mr. Deputy-Speaker: The hon. Minister does not want to introduce any restriction regarding charitable institution. It is already there.

"But nothing contained therein shall operate to exempt from

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the operation of this Act that part of the income of the private religious trust which does not ensure to the benefit of the public."

Dr. S. P. Mookerjee: That is private trust, Sir.

Mr. Deputy-Speaker: This is a public trust; that is one step in advance. Does it exclude even a temple?

Dr. S. P. Mookerjee: Yes, Sir.

Shri T. T. Krishnamachari: If supposing there is an institution which is managed by only Jains but is intended for the entire community, then that institution will benefit, but if it is an institution in which the benefits will only be for Jains, then the institution will not benefit.

Shri T. S. A. Chettiar: The point is that if it is a religious purpose, it may be included.

Shri T. T. Krishnamachari: It may not be a religious purpose.

Mr. Deputy-Speaker: It is open to the public. They have to put up a notice board.

Shri Bansal: The Finance Minister accepted a few minutes ago that what Mr. Chacko said was correct. I do not know what has happened within five minutes.

Shri C. D. Deshmukh: I said he was correct, but I did not say that I was going to accept his amendment. He said that certain institutions would be excluded.

Mr. Deputy-Speaker: They are nebulous institutions. I will now put the two amendments to the first amendment of the hon. Minister which have been accepted by him.

The question is:

In the amendment moved by Shri C. D. Deshmukh, after part (v), add:

> "*Explanation*.—An institution or fund established for the benefit of scheduled castes, backward classes, scheduled tribes or of women and children shall not be deemed to be an institution or fund expressed to be for the benefit of a religious community within the meaning of clause (ii)."

The motion was adopted.

Shri B. S. Murthy: Have these communities no religion?

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch. Castes): Who will decide these things?

Mr. Deputy-Speaker: Government will decide. Ultimately, somebody must decide. Can the hon. Member decide? Then we come to the second amendment. Is the amendment to sub-clause (iii) or to sub-clause (iv)? I think it goes better with sub-clause (iv).

Shri C. D. Deshmukh: You are having sub-clause (iii) in the Bill. By the amendment moved by me, that same sub-clause (iii) has become sub-clause (iv) and this is an amendment to that amendment.

Shri T. S. A. Chettiar: Why do you wish to say "educational institution"? Can you not say "any institution recognised by Government"?

Mr. Deputy-Speaker: This is confined to educational institutions only, whether they be giving technical, vocational or any other type of education. I shall put the amendment to vote.

The question is:

In the amendment moved by Shri C. D. Deshmukh, in part (iv), for 'or any other educational institution recognised by, or, affiliated to, any such university" substitute:

> "or any other educational institution recognised by Government or by a university or is affiliated to any university".

The motion was adopted.

Mr. Deputy-Speaker: Now, we come to Mr. Tulsidas Kilachand's amendment. Is it not barred in view of this amendment?

Shri C. D. Deshmukh: All I have to say is that what he suggests is not acceptable to me. We are now enlarging the scope of these donations and that is why we have thought it proper to decrease the limits. In one case, I think Mr. Tulsidas Kilachand was inaccurate, because in the case of these donations even the present limit is one-twentieth and not one-tenth.

Shri Tulsidas: That is for personal donations.

Shri C. D. Deshmukh: He wants to change the whole thing from one fraction to another. In the case of companies the present limit is one-twentieth. Anyway, as it would involve a considerable loss of revenue, I am unable to accept the amendment.

Mr. Deputy-Speaker: An amendment to the Finance Minister's amendment was moved by Mr. Reddi. Does he press it?

Shri Ramachandra Reddi: No, Sir.

Mr. Deputy-Speaker: Then, it need not be put. Now, I will put the Finance Minister's amendment as amended.

The question is:

In page 3,

for lines 1 to 14, substitute:

"(i) the income whereof is exempt under clause (i) of sub-section (3) of section 4,

(ii) which is not expressed to be for the benefit of any particular religious community,

(iii) which maintains regular accounts of its receipts and expenditure, and

(iv) which is either constituted as a public charitable trust or is registered under the Societies Registration Act, 1860 (XXI of 1860), or under section 26 of the Indian Companies Act, 1913 (VII of 1913), or is a university established by law or any other educational institution recognised by Government or by a university or is affiliated to any university, or

(v) which is an institution financed wholly or in part by the Government or a local authority.

Explanation.—An institution or fund established for the benefit of scheduled castes, backward classes, scheduled tribes or of women and children shall not be deemed to be an institution or fund expressed to be for the benefit of a religious community within the meaning of clause (ii)."

The motion was adopted.

Mr. Deputy-Speaker: In regard to Mr. Tulsidas Kilachand's amendment, lines 1 to 14 have been already amended. So, that part of his amendment is barred. In regard to the other part dealing with lines 36 to 53, it will be left over, because it refers to sub-section (1) and we are dealing with only sub-section (2). In other respects, I think there is no difference.

Shri Tulsidas: There is. I suggest one-tenth instead of one-twentieth. It is in (1) (b).

Mr. Deputy-Speaker: Does it apply to charitable institutions also?

The Deputy Minister of Finance (Shri M. C. Shah): There is a maximum limit. He wants to change the maximum limit.

Mr. Deputy-Speaker: I think it is barred because the President's sanction is necessary. I am afraid so.

Shri K. K. Basu: It is exemption, Sir. It is giving relief.

Mr. Deputy-Speaker: Is that touched here—"to any sums in excess of one-twentieth"? Very well, we shall come to it later. So far as that portion is concerned, it is in sub-section (1). When we come to that we will take it up. Lines 1 to 14 we have disposed of.

Shri P. T. Chacko: With regard to my amendment, in spite of your explanation, Sir, I still believe I am right and I want to press it.

Mr. Deputy-Speaker: Very well. The other amendment is by the hon. Minister.

Shri K. K. Basu: The hon. Minister is taking the whole time!

Shri C. D. Deshmukh: Because of the discussion.

The object of my second amendment is to remove any doubts that the donations made before 1st April 1953 to approved institutions will not be governed by the provisions of section 15B.

Mr. Deputy-Speaker: The question is:

In page 3, after line 14, insert:

"(2A) For the removal of doubts, it is hereby declared that in respect of sums paid as donations on or after the 1st day of April, 1948, and before the 1st day of April, 1953, the provisions of sub-sections (1) and (2) shall apply as if the amendments made by clause (c) of section 3 of the Finance Act, 1953, had not been made."

The motion was adopted.

Shri C. D. Deshmukh: My next amendment is to sub-clause (d). That amendment is mainly clarificatory, to make it clear that the provision is concerned with speculative transactions and not with a separate speculative business as such. It is necessary in order to exclude the possibility of a construction that it is only the loss sustained in a separate speculative business to which the proposed restriction applies.

11 A.M.

Mr. Deputy-Speaker: My difficulty is this. I find a number of amendments have been tabled by Government. If I apply the guillotine now, all the amendments will be washed out, even those tabled by Government If Government is very particular. I must extend the time.

Shri T. T. Krishnamachari: Naturally, Sir.

Mr. Deputy-Speaker: Originally we thought that, notwithstanding the fact that there is no additional taxation. the other matters namely income-tax and so on required consideration. Now, Government itself has tabled a number of amendments. I am afraid at this rate we will have to spend the whole day on this and take the Tea Bill over to some other day.

Shrimati Sucheta Kripalani (New Delhi): If we sit in the afternoon we can finish it.

Mr. Deputy-Speaker: I am willing. Let me ascertain the view of the House. So far as tea is concerned, tea will always be taken in the afternoon!

Shri T. T. Krishnamachari: Four o'clock is tea time, Sir!

Mr. Deputy-Speaker: I hope the hon. Minister will have no objection to entertain the Members to tea!

Shri C. D. Deshmukh: I accept it, Sir.

Shri N. M. Lingam (Coimbatore): Sir, a batch of M.Ps. is going to Bhakra Dam at three o' clock today.

Mr. Deputy-Speaker: Is their presence necessary for quorum here?

Shri N. M. Lingam: It would be better if it is put off to Monday.

Mr. Deputy-Speaker: Let us proceed as much as possible. We will get through this and finish all the amendments by 1-15. The third reading may stand over to the afternoon and thereafter we will take the Tea Bill.

What I find is when we proceed from item to item it may take some time. Therefore, we will apply guillotine at 1-15 for all the clauses. In the afternoon, we shall have third reading for one hour and thereafter the Tea Bill for an hour and then we disperse.

Shri C. D. Deshmukh: I think it would be easier if I also deal with my fourth amendment. They are both in the nature of liberalising the provisions in regard to what is regarded as legitimate speculative business.

The object of this other amendment is to exclude from the category of speculative transactions hedging contracts entered into by dealers and investors of stocks and shares and by members of forward markets and stock exchanges to guard against loss which may arise in the ordinary course of their business. Now, it is necessary to exclude these transactions from the category of speculative transactions so as not to hamper unnecessarily certain hedge contracts entered into in the normal course of business.

I think I should take this opportunity of generally making clear what the scope of this particular provision is. It is not intended to hit speculative transactions as such. Here we do not take a view as to whether they are good or bad. although it is quite certain that certain speculative tansactions are necessary for the purpose of stability of prices and other objectives which are recognized by economists. What we did want to avoid was the buying or selling of losses, that is to say fictitious transactions. But even after consultations with the representatives of stock exchanges we came to the conclusion that there was no direct way of defining, for legal purposes, these particular transactions. Therefore, we have proceeded by the method of excluding what we do not want to hit. In the Bill, as it is drafted, we have excluded hedging transactions, the common hedging transactions, that is a mill buys cotton and sells cloth. There are various other varieties of hedging transactions and after discussions with the representatives of trade and business I have come to the conclusion that they are also legitimate. One category of transactions is the one I referred to just now: a man wants to protect himself against any loss in certain scrips he holds, but he sells some other scrips which he expects will have a reverse movement . The object is to save that kind of transaction. The other is where there are jobbers and brokers and others—it is their regular business—and their ordinary transactions are not transactions such as we want to avoid, namely selling and buying of losses.

So, that is the general purpose of these two amendments that I have moved.

Shri Tulsidas: I beg to move:

In page 3, for lines 15 to 42, substitute:

"(d) in sub-section (1) of section 24—

(i) after the first proviso, the following proviso shall be inserted, namely:—

'Provided further that in computing the profits and gains chargeable under the head "profits and gains of business, profession or vocation" any loss sustained in a business consisting of speculative transactions not in the ordinary course of business shall not be taken into account.'

(ii) after the last proviso, the following Explanation shall be inserted, namely:—

'*Explanation*: A speculative transaction means a transaction in which a contract for purchase and sale of any commodity including stocks and shares is periodically or ultimately settled otherwise than by the actual delivery or transfer of the commodity or scrips, carried out or transacted otherwise than according to the rules of an association of merchants regulating forward transactions in such commodity in a particular place.

Provided that a contract in respect of raw materials, merchandise, stocks, shares or securities entered into by a person in the course of his manufacturing, merchanting or brokerage business or a business of dealing in shares, stocks or securities or contracts in nature or arbitrage, straddle or hedge or to guard against loss through price fluctuations in respect of his dealings in the ordinary course of business shall not be deemed to be a speculative transaction.'"

This amendment proposed to be made to section 24 of the Indian Income-tax Act in terms of the original wording of clause 3(d) of the Finance Bill and even in terms of the modified form in which it is placed before the House now, in my opinion, should be ruled out. What I feel is that if we are changing the fundamental principles of income-tax law, the modified version of the original text creates discrimination among the assessees. There is also a fundamental change in the income-tax law. Therefore, I feel that this amendment is not a proper one. The cure is worse than the disease. In my opinion, here even those people who abuse these speculative transactions will have a legal basis.

There are three categories of assessees in the speculative transactions. One is the speculator. This amendment either in the modified form or in the original form will have no effect whatsoever. There will be no change at all in that category.

Then there is another category of assessees who do hedging in *bona fide* business. This category of assessees is going to be hit and even though hedging is provided under this clause, everything is not covered. "To guard against loss" may not be considered as hedging. Supposing a person has hedged, he does not make any loss or profit but he may guard against loss. That means he makes no profit. It does not mean that he is only hedging. I am not trying to support corrupt practices. In fact I am of the opinion that corrupt practices must be stopped. It is not possible for the Income-tax Department to get these tax dodgers. They want circumstantial evidence. They have no other powers. I feel that they have enough powers and under these powers they can certainly get hold of these people. If they have not got the necessary machinery, they should improve upon the machinery. However, in order to get hold of the other people, I feel, it is wrong to make a discrimination between assessees.

As regards the practical side of it, I would like to suggest that a Board of Referees be set up as was provided for in the E.P.T. Act and if any income-tax officer wants any help, he can get it from the Board. If the Government cannot do this and [illegible]

[Shri Tulsidas]

fore the whole of the Income-tax Act is to be changed, this, in my opinion, is very improper and therefore, this change is not desirable.

We are told that the Income-tax Investigation Commission had recommended this in a separate report to the Government. We were told this by the Finance Minister. The Income-tax Investigation Commission has not given this as a recommendation in the published report. This was given to Government in a confidential report.

[SHRIMATI AMMU SWAMINADHAN *in the Chair*]

I would like to know from the Finance Minister whether it is not true that in that separate report, the Commission also recommended that if speculation losses are not allowed to be set off against non-speculation income, speculation gains must not be added to the other income of the assessees.

Shri C. D. Deshmukh: It is on record. This is not a confidential report.

Shri Tulsidas: That has not been given to the public as a published report. Section 6 of the Income-tax Law says:

> "Any income gained or lost can be set off against any other income of the said category of business or in any other form."

Now, the income which will be taxed will not be allowed to be set off. A speculator who has lost or gained in this speculation will not be discriminated while the other man will be discriminated. To that extent I feel there is a discrimination between different categories of assessees.

Part (c) of the hon. Minister's amendment says:

> "A contract entered into by a member of a forward market or a stock exchange in the course of any transaction in the nature of jobbing or arbitrage to guard against loss....."

Here again only the members of the stock exchange or the associations will be allowed this exemption. Now, most of these members, as pointed out by the Finance Minister, will be brokers or the traders in the association but there is also the other section, the clientele of brokers who may not be members and therefore, to that extent, there is discrimination between different classes of people trading in the association or in an exchange.

Then there may be traders in the forward markets who may not be members of the association or there will be a person who may not be a member of the stock exchange. To that extent there is discrimination again.

We have recently passed an Act to control and regulate the forward markets. We have seen the utility of the forward markets in the country. I am sure that this change in the fundamental provisions of the Income-tax Act is bound to jeopardise the working of the forward markets. Under normal *bona fide* trading, if there is going to be discrimination, it will be very difficult for a person to judge in a forward market whether it is hedging or speculation. It is not practicable to cover the risk of price fluctuations in one commodity by a hedging transaction in the same commodity.

Then I would like to remind the hon. Minister that in his speech in the beginning he said there were different administrative instructions and that he would look at certain representations made by different associations. These administrative instructions, in my opinion, are not really helpful. What happens is this. Even when the administrative instructions are there, a person is still assessed. If he wants to appeal, or if he wants to go to the court, the administrative instructions do not give him any help. I therefore, feel that an amendment, particularly with regard to section 23A should be moved. Whatever the intention of the Finance Minister may be with regard to these administrative instructions, it should be in the form of an amendment. The administrative institutions are not going to help, as he really intends to give help to these assessees, they will be hard hit by this amendment. I hope the Finance Minister will consider all these points.

Shri G. D. Somani (Nagaur-Pali): I beg to move:

In page 3, for lines 15 to 42, substitute:

> "(d) in sub-section (1) of section 24, after the first proviso the following proviso shall be inserted, namely:—
>
> 'Provided further that in computing the profits and gains

> chargeable under the head "Profits and gains of business, profession or vocation", any loss in a business consisting of speculative transactions which have been entered into for the sole purpose or with the main objective of reducing profits shall not be taken into account for the purpose of this sub-section.
>
> *Explanation.*—Speculative transactions do not mean and do not include Hedge transactions or Straddle transactions understood as such under the bye-laws or regulations of the respective commodity exchanges or bodies controlling the respective trades.'"

I do not want to repeat what my hon. friend Mr. Tulsidas has already explained in regard to the various difficulties which will be experienced by genuine traders if the amendment as it stands at present is not modified in the manner which both the amendments put forward by me and by Mr. Tulsidas indicate. The whole question is this. The Government should have made known their intention about the functioning of futures trading when bringing about these amendments. Because, the amendments as they stand at present tend to restrict the functions of these exchanges only to speculators or to those who are genuinely interested in the manufacture or merchanting of the same commodity. The Finance Minister may be aware that there is a large body of traders—one may be trading in cloth or for that matter in any other commodity—who are engaged in genuine speculative transactions in the various futures exchanges. (If a cloth trader is not to be allowed to set off his losses in speculative transactions against his income in other directions, that means, that the function of the futures exchanges will be very much adversely affected, because, that would tend to restrict the function of these forward exchanges to either speculators or to those who have been defined under these modifications. The policy of the Government should be made known whether they want to restrict the function of these exchanges only to speculators, because according to the wording of the amendment, the speculators will be still at liberty to misuse the same practice of buying up losses or profits as has been prevalent all along, because, they will not be touched by these amendments. Nobody would like to have any objection to any of the precautions that may be taken to check tax evasion that has been going on. But, in bringing up all these amendments, we have to consider the difficulties that may be caused to the general trade.

Speaking about industry, I would like to draw the attention of the Finance Minister to this question. His amendment says:

> "a contract in respect of raw materials or merchandise entered into by a person in the course of his manufacturing or merchanting business to guard against loss......in respect of his contracts for actual delivery of goods manufactured by him or merchandise sold by him."

I would like to have a clarification. As a textile mill owner, suppose, I want to purchase cotton in the futures market. 5000 bales, not to guard against any loss, but because of an anticipation of a rise in the price of cotton, what will be the effect of these amendments?

Shri T. T. Krishnamachari: 'Future price fluctuations' is here.

Shri G. D. Somani: The provision says: ".... to guard against loss through future price fluctuations in respect of his contracts for actual delivery of goods manufactured by him". If today I anticipate a rise in the price of cotton, that is not to guard against any loss in goods manufactured; I simply expect a rise in the cotton prices as a textile mill owner.

Shri T. T. Krishnamachari: It is not hedging; it is a *bona fide* transaction.

Shri G. D. Somani: But, that does not meet the requirements of the provision as it stands. The cotton purchase must be proved to the satisfaction of the Income-tax officer to have been undertaken to guard against loss through future price fluctuations in respect of his contracts for actual delivery of goods.

Shri T. T. Krishnamachari: That point need not be laboured. *Bona fide* initial transaction for purchase of a particular commodity will not come within the scope of this provision at all. It is only something that you do subsequently to cover that transaction, which may be speculative; it is that particular transaction which is intended to cover the first transaction, that is sought to be covered by the provision in the amendment moved by the hon. Finance Minister. Initial

[Shri T. T. Krishnamachari]

transactions of purchase is a *bona fide* transaction which normally goes into the books. In any loss or profit, there is nothing speculative. That is regular business. The speculative element comes in when you want to hedge that particular transaction. Even that is now covered.

Shri G. D. Somani: Any way, the amendment as it stands is not clear.

Similarly, in regard to jobbing, jobbing also need not necessarily be undertaken to guard against loss.

Shri T. T. Krishnamachari: That is again covered. The trouble is this. May I mention that my hon. friend really sticks to his own amendment without reference to the amendment given by the hon. Finance Minister. That seeks to cover more or less the entire ground. Part (a) deals with *bona fide* transactions where there is hedging. Part (c) deals with transactions entered into by a member of a forward exchange. If a person is not covered by part (c) and is independent of the forward market, then, part (a) covers the position. I think, without really giving due weight to these amendments, my due friend is labouring under the original idea that he had that these transactions are not covered.

Shri G. D. Somani: I want a clarification whether the aim of the Government will not be achieved if the amendment that I have put forward is accepted. The aim is to check the evil practice of buying up of losses. You want that the losses incurred in these fictitious transactions should not be recognised.

Shri T. T. Krishnamachari: That may be met; but the Government is satisfied that its own amendment is far more comprehensive.

Shri Dhulekar (Jhansi Distt.—South): But, does this not benefit you?

Shri G. D. Somani: It is not a question of benefiting. When you want simply to check the evil practice, which at present may be going on in industry, of buying up losses or profits the amendment that I have moved clearly says that any such business which is entered into for the sole purpose or with the main objective of reducing profits shall not be taken into account for the purpose of this sub-section. I feel that this sufficiently meets the requirements of the situation. The amendment put forward by the hon. Finance Minister will lead to all sorts of complications. It will also affect the functioning of the futures exchange. I think the matter should have been gone into more deeply and more thoroughly considering all the repercussions which it may have on the general functioning of these exchanges whose importance has already been recognised by the Government.

Shri C. D. Deshmukh: I have not very much to say. The hon. Member as well as Mr. Tulsidas Kilachand had asked me to discuss this particular clause with them. I had fixed a time when Mr. Tulsidas appeared. I think we spent an hour with him and some other gentlemen who appeared.

Shri G. D. Somani: I am sorry....

Shri C. D. Deshmukh: For him now to say that it has not been gone into carefully is unjust. I am convinced, after the long discussions I have had not only with one of these gentlemen, but also with the presidents of the two stock exchanges, that the amendments that we propose now meet all reasonable cases that are likely to arise and I think that we will only complicate matters further by trying some snap drafting of this very delicate matter. As far as I am aware, these recent amendments cover all possible transactions which may be entered into in the course of some legitimate aspect of business or other

One other point which hon. Members made is that, if you exclude or exempt stock brokers and jobbers, the purpose may be defeated. I am assured by the president of the stock exchange that that will not be so and that the way in which these accounts are kept are sure to lead to a discovery of these transactions. There was only one other point which he had raised, in regard to the purchase of cotton. I can assure him that a purchase such as he has mentioned does not stand in jeopardy at all by anything that is contained in these amendments.

Shri Tulsidas: What about section 23A, and the assurance that you gave that you would be only passing instructions? Are you going to bring amendments?

Shri C. D. Deshmukh: The hon. Member refers to administrative instructions, and then he says they are not satisfactory. Then he asks me to give the instructions and give an assurance.

Shri Tulsidas: You may put down an amendment on the basis of whatever instructions you like to issue. That is the point.

Shri C. D. Deshmukh: If the hon. Member's suggestion is that I should bring forward an amendment in the sense in which administrative instructions were to be issued, then I must say that I am unable to do so.

Mr. Chairman: I will now put the hon. Minister's third and fourth amendments.

The question is:

In page 3, lines 20 and 21, for "any loss sustained in a business consisting of speculative transactions" substitute:

> "any loss sustained in speculative transactions which are in the nature of a business".

The motion was adopted.

Mr. Chairman: The question is:

In page 3, for lines 36 to 42, substitute the following:

> "Provided that for the purposes of this section—
>
> (a) a contract in respect of raw materials or merchandise entered into by a person in the course of his manufacturing or merchanting business to guard against loss through future price fluctuations in respect of his contracts for actual delivery of goods manufactured by him or merchandise sold by him; or
>
> (b) a contract in respect of stocks and shares entered into by a dealer or investor therein to guard against loss in his holdings of stocks and shares through price fluctuations; or
>
> (c) a contract entered into by a member of a forward market or a stock exchange in the course of any transaction in the nature of jobbing or arbitrage to guard against loss which may arise in the ordinary course of his business as such member;

shall not be deemed to be a speculative transaction."

The motion was adopted.

Mr. Chairman: Now, amendments of Shri Tulsidas and Shri Somani.

Shri C. D. Deshmukh: Both are barred, madam, now.

Mr. Chairman: I need not put them to the vote.

Mr. Chacko wants to put his amendment?

Shri P. T. Chacko: The position is this. I do not know what happened to it. It was discussed and the Finance Minister was about to accept it, but a very long explanation was given by the Deputy-Speaker which I could not accept. I do not know if the Government can accept it. I cannot accept the explanation given by the Deputy-Speaker. It is not correct according to me. I would only want to know what the position is.

Mr. Chairman: Would the hon. Member like me to put his amendment to vote?

Shri P. T. Chacko: I want to know the position of Government. If the Government is not accepting it, I do not press it. Anyhow, I do not accept the explanation of the Deputy-Speaker.

Shri C. D. Deshmukh: The object of my fifth amendment is to extend the concession to dividends received from companies formed after 31st March, 1952 instead of 28th February, 1953. The companies formed after 31st March, 1952 are not likely to have commenced production or even to have their subscribed capital paid up, and therefore, for our purposes they are as good as new companies, and, therefore, I feel that the concessions should extend to them.

Shri K. K. Basu: We could not follow.

Shri C. D. Deshmukh: The object is to bring within the scope of this concession companies formed after 31st March, 1952, that is to say, one year earlier, on the ground that they are not likely to have commenced production or even to have their subscribed capital paid up. It is retrospective extension of the concession.

Mr. Chairman: Would any hon. Member like to speak on this amendment?

Shri K. K. Basu: We have amendments to sub-clauses (e) and (f), but the hon. Minister's amendment concerns sub-clause (f). I do not know what procedure we should follow.

Shri C. D. Deshmukh: I should imagine so far as this particular provision is concerned, if there is no objection from any part of the House

[Shri C. D. Deshmukh]

then it might be accepted. That would still leave, the other amendments for discussion.

Mr. Chairman: I will put this amendment to the vote of the House.

The question is:

In page 4, lines 12, and 13, for "28th day of February, 1953" substitute "31st day of March, 1952".

The motion was adopted.

Shri K. K. Basu: I beg to move:

(1) In page 4, after line 36, insert:

> "Provided that no foreign capital and undertaking shall be allowed to establish and invest afresh in such industries where truly national industries are already working unless the Central Government is satisfied that such investment do not adversely affect such national industries."

(2) In page 4, after line 42, insert:

> "(3) All such exemptions should be laid on the table of the House every year immediately after the close of the financial year."

In moving these amendments, I want to lay emphasis on a very short point. We have seen in recent times that especially British concerns who have their Indian counterparts or who have their branches here, are allowed to invest new sums or allowed to enter new branches of industry. It is true that in the Five Year Plan we have accepted the proposition that foreign capital may be brought in for a specified purpose. It is mainly in those industries which need the 'know-how' which our country lacks, or those industries which mainly relate to capital goods or certain heavy industries wherein there is no national enterprise. But, unfortunately, in recent times we have seen that the Government has allowed new foreign capital to be invested, or they have given sanction to existing foreign concerns to invest afresh even in the consumer goods industries.

The other day, we mentioned the fact of Lever Brothers. From the figures it seems that Lever Brothers today produce nearly 50 per cent. of our soap consumption, and with the extra amount they have asked for and which, I understand, has been sanctioned by Government, they will produce 65 to 66 per cent. of our national requirements, as a result whereof our national industries are either going to be extinguished or gradually worn out of existence.

Similarly, we have seen in the case of industries like fountain pen ink. You may know from experience that we had quite a number of fountain pen ink factories in India truly owned by us, but in competition with, say, the Parker Quink Company which is obviously developing into an international trust, our fountain pen ink industry is driven away from the market. I can give similar examples.

I do not know why Government has given sanction to establish a chocolate factory, because our need of industrialisation is more for capital goods and such heavy industries which we do not possess. And though naturally we personally from our side do not like foreign capital, especially equity capital, coming in, even the Planning Commission has accepted the proposition that foreign capital should only be allowed to come where we have no industry or if we want to develop capital industries. But unfortunately we see today that even in the case of consumer goods industries wherein we have got long-established national industries, we are allowing foreign capital to come in. The object of my first amendment is to impress upon the Government to see that when such new enterprises are allowed to grow or to be established, they should see that they do not adversely affect the national industries which are already there.

My second amendment seeks to emphasize the fact that we the Members of Parliament feel that such exemption should be laid before the House, so that we may know in what way our Government is working by allowing such exemptions to be given and in respect of which industries.

Mr. Chairman: Amendments moved:

(1) In page 4, after line 36, insert:

> "Provided that no foreign capital and undertaking shall be allowed to establish and invest afresh in such industries where truly national industries are already working unless the Central Government is satisfied that such

investment do not adversely affect such national industries."

(2) In page 4, after line 42, insert:

"(3) All such exemptions should be laid on the table of the House every year immediately after the close of the financial year."

Shri G. D. Somani: I beg to move:

In page 4, after line 31, insert:

"(11) Ferro-Manganese".

I have suggested in this amendment the inclusion of the ferro-manganese industry also in the list of industries that have been stipulated, as this is also of more or less the same importance as the other industries that have been listed. I hope the hon. Finance Minister will see his way to accept this amendment.

As regards the general matter of giving this exemption for new investments, I only want to point out that this will be of very little help, because after all. the investment in new concerns does not bring any dividend for quite a few years to come, for at least five or seven years, and as such if this exemption were extended to the existing industries also, then it would have meant something real as an incentive. But as it is, since it is confined to new industries only, and since they do not generate any dividends for a period of five or seven years after they are permitted to come into existence, it does not in effect mean anything in the nature of an immediate relief.

Mr. Chairman: Amendment moved:

In page 4, after line 31, insert:

"(11) Ferro-Manganese".

Shri C. D. Deshmukh: I would like to say that so far as the last observations of Mr. Somani are concerned, it is not possible for us to extend these concessions to existing industries, because it will involve a very great loss of revenue and after all what has been done does not need any incentive. Incentive is required in respect of future enterprises.

As regards the inclusion of ferro-manganese, we have generally gone on the principle of including those industries which are included in the Schedule to the Industries (Development and Regulation) Act, 1951; if we leave the safe anchorage of this, then it is very difficult to distinguish between one industry and another. At the moment, we do not think that there is any case for widening this list, in order to include ferro-manganese. Therefore, I am not able to accept the amendment which is proposed by the hon. Member.

As regards the two amendments moved by Shri Basu, I appreciate the moderation with which he has put forward his views, and in general, I think what he has said is reasonable, but I doubt whether the way in which he wants to accomplish it is the proper way. These are not matters which can be secured by legislative provisions. We think that these are matters to be taken notice of by the Controller of Capital Issues, of the Ministry of Commerce and Industry in issuing the licences for new industry. I can assure him that by and large the objects which he has mentioned will be borne in mind, when foreign capital is admitted. There can be no doubt that we also are on our side alive to the generality of the considerations to which he has made allusion. Therefore, I do not think it is necessary for accomplishing that purpose to accept the amendment which he has moved.

Similarly, the trouble about his second amendment is that when the conditions laid down in the proposed sub-sections (1) and (2) are satisfied, then the assessee becomes entitled to the exemption, and there is no special act of exemption to be given by the Government or the Income-tax Department in any particular case. Therefore, what the hon. Member has in mind cannot be accomplished by a legislative amendment, but if he is very keen on it, then I shall make an attempt at the end of each year to collect information in regard to the firms which enjoy this exemption. and to place such information on the Table of the House.

Shri K. K. Basu: In view of the hon. Minister's assurances, I do not want to press my amendments, but I hope they will be translated into action.

Shri C. D. Deshmukh: All assurances are.

Shri G. D. Somani: I do not want to press my amendment.

Mr. Chairman: So, these three amendments are not pressed.

Shri Nambiar: But permission of the House is required to withdraw those amendments.

Mr. Chairman: Have the hon. Members leave of the House to withdraw these amendments?

The amendments were, by leave, withdrawn.

Mr. Chairman: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clause 4.—(*Amendments to Act XXXII of 1934*).

Amendment made: In page 4, line 43, before "The Indian Tariff Act" insert:

"With effect from the 28th day of February, 1953."

—[*Shri C. D. Deshmukh*]

Shri K. K. Basu: What about clause 3? Is it entirely passed?

In clause 3(e) we had an amendment. We had thought that after clause 3 (f) we would come back to clause 3 (e).

Mr. Chairman: That is already passed. The hon. Member perhaps may have his chance to speak in the third reading.

Shri K. K. Basu: That is all right. But I would like to know the position.

Mr. Chairman: Clause 3 has already been passed by the House.

Shri K. K. Basu: There has been some confusion. Anyway, I shall take my chance.

This clause relates to the provisions made in the Indian Tariff Act, as to the different kinds of duties leviable on the imported goods. I would like to emphasize—I tried to move amendments in respect of the Schedule, which have unfortunately been ruled out of order—one point that even today in the year 1953, while we are discussing the Finance Bill, we are being asked to put our stamp on the imperial preferences that have been going on for the last 20 years. Now and then, the members of the Treasury Benches try to explain that by our alliance with the British Commonwealth, and our alliance with the system of imperial preferences, India has been benefited. I would only urge upon you to go through the list of the commodities which are being exported to the United Kingdom, and those that we import from there. You can readily see this. Take the case of tea. The United Kingdom today is preferring Ceylon tea to Indian tea. They have increased their quota of purchase of Ceylon tea in preference to Indian tea. Then as regards jute, we find from reports the same thing. We have gone to the United States for a market and we are also going to Australia for selling our jute produce. If we analyse the figures—unfortunately time does not permit me to go into the details of it—we will see that these Commonwealth countries, more especially the United Kingdom, do not purchase goods from any altruistic motive. If they find Indian goods cheaper and suitable for their purpose then they will be willing to come forward and help us. So far as import of capital goods is concerned, I do not know to what extent Great Britain can help us in giving capital goods. We know from recent records that in this regard also they are not very much helpful. Therefore, we feel the time has come for us to judge and enter into contracts with all countries on merits. We cannot continue the Imperial Preference which we had when the British were ruling over us. Why should this economic domination still continue, affecting adversely the interests of our country? Therefore, I would have very much wished in this Finance Bill that the Government of the day had come forward with a proposal to do away with this Imperial Preference. Our purchases and sales in the world market should be on their own merits. This is the point I would like to emphasise on this particular clause.

Shri Mulchand Dube (Farrukhabad Distt.—North): I wish to draw the attention of the hon. the Finance Minister to the principle on which export duty is levied on certain articles that are exported out of India. I am referring to the calico prints that are exported from this country to England, America, Australia, Europe, and other places. Tapestries are declared as free of export duty while table covers are dutiable to the extent of ten per cent. *ad valorem*. I do not see on what principle this export duty on table covers is based. As I understand it, the word 'tapestries' is wide enough to include table covers also. It is the difference in size that seems to make some kind of a difference so far as the hon. the Finance Minister is concerned.

I know of a particular case in which a trader from London came to Farrukhabad and placed an order with a firm of Farrukhabad for certain prints describing them as 'tapestries' and also saying that they were non-dutiable. On this basis an export permit was obtained and while the goods were on their way to their destination, they were stopped at Bombay on the finding of the Customs officer that they were table covers. The sizes were, of course, such that it could be said that they were table covers: but then it could also be said that they were tapestries. This kind of difficulty is being felt by people on account of the distinction that is sought to be drawn between table covers and tapestries.

My suggestion to the hon. the Finance Minister is that he may reconsider this question and after reconsideration. make table covers also non-dutiable. By exporting calico prints to foreign countries. we earn a great deal of foreign exchange. If this restriction is imposed on the export of these articles. considerable difficulty arises As regards the case that I pointed out just now, the goods are lying at Bombay. They are not being allowed to proceed further and a prosecution is also said to be in contemplation, which may have the result of not only forfeiture of the goods but also injury to our foreign trade to a considerable extent. It is only this suggestion that I wanted to make to the hon. the Finance Minister for his consideration.

Shri C. D. Deshmukh: As regards the suggestion of the last speaker, I can only undertake to have the position examined. There is nothing that I can do about it in regard to the rates that are already entered here in the Schedule.

Now. as regards the general observation made by the hon. Member, Shri Basu, of course that is a point which crops up over and over again.

Shri T. T. Krishnamachari: Like King Charles' head.

Shri C. D. Deshmukh: I believe there have been occasions on which my hon. colleague has given the justification for continuing such of the preferences as exist now.

Shri K. K. Basu: Why should they continue?

Shri C. D. Deshmukh: It may or may not be. It is a matter for consideration on merits. The general position is this. In 1939 there was an agreement between this country and the United Kingdom and British colonies for granting a margin of preference of ten per cent. That was substituted by the General Agreement on Tariffs and Trade where again in return for certain other gains or advantages we agreed to reduce the margin with the prior consent of the United Kingdom from ten per cent. to six per cent. *ad valorem*. Therefore, the result at the moment is that so long as India continues to remain a party to this trade agreement, we are obliged to maintain six per cent. margin in favour of U.K. and the colonies and the standard rate cannot be reduced below six in any case. I may also add that this question is always under our consideration whether we should now continue this and whether there are any residual advantages resulting from this agreement. So this matter is constantly under the review of the Minister of Commerce and Industry. It is my belief that much of the importance of this has now disappeared and it may be that when a suitable agreement comes, it may be possible for us to reduce this list very considerably.

Mr. Chairman: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5 was added to the Bill.

Clause 6.—(*Alternation of certain duties of central excise*)

Shri G. D. Somani: I beg to move:

In page 5,

(i) line 22, omit "and three pies",

(ii) lines 22 and 23, for "one anna and three pies" substitute "seven and a half pies".

I would like to make a few observations regarding this excise duty on fine and superfine cloth. The other day, the hon. Finance Minister pointed out that I had complained to him because he ignored certain points made by me at the time of the discussion of the Budget. I would like to make a submission to the hon. Finance Minister. In the ordinary course it would not have mattered whether any points are replied to or not. But here, as I had pointed out

[Shri G. D. Somani]

in the observations that I had made on that occasion, to me for all practical purposes, it seemed that there had been some serious misunderstanding or some serious error somewhere which clearly shows that the way in which the excise on fine and superfine cloth has been revised is not in conformity with the statement which the hon. Finance Minister made in his Budget speech. I may briefly recall that both at the time of the Budget speech as well as the other day while initiating the debate on this Finance Bill, the hon. Finance Minister said that this change was being made only to solve certain administrative difficulties. He also said in his Budget statement that he did not expect any reduction or increase in the excise on fine and superfine cloth. My submission is that this statement from the hon. Finance Minister gave an impression not only to the public at large and to the hon. Members of this House, but even to those of us who are engaged in the textile industry, when we first read or heard the speech that this was really a very innocent measure and meant only to solve administrative difficulties. and there was nothing very drastic or a substantial change in the existing incidence of the duty on fine and superfine cloth. It was only a little later, when the full implications of this revision were felt, we realised that this was no mere re-adjustment of duties to solve the administrative difficulties, but it was some very drastic increase in the rate of duties on fine and superfine cloth.

I would not like to bore the House and the Finance Minister by giving the list of several varieties which I have kept with me, which show that the increase works out in some cases to 100, 125 and 200 and even more than 200 per cent. Obviously, as the Finance Minister is aware, there were four categories of excise duty on fine cloth with excise duties of seven, nine, eleven pies and one anna, which by a stroke of the pen has been raised to 15 pies in the latest re-adjustment. Although I have not got the full or actual figures of separate collections from excise on fine and superfine cloth during last year, from the calculations I have made, I think the average rate for the fine varieties during last year was not far above 7½ pies per yard. This means that at least an average increase of 100 per cent. of these duties has been brought about in the name of this re-adjustment of duties. I could understand if the hon. Finance Minister would have said so in his Budget speech that he wants to increase the duties on fine cloth by 100 per cent. Whether I oppose it or whether he could very well have ignored that opposition does not matter. So far as the industrial viewpoint is concerned, it is more often ignored than accepted by the Government. The point I want to make here is this. My humble submission to the Finance Minister is that in view of the statement made in his Budget speech that the primary and sole purpose of this re-adjustment was only to solve administrative difficulties, and that he does not want to have any additional revenue from these excise duties, and he gave the impression to everybody that it was only for procedural purposes, I complained to the hon. Finance Minister that if there is really some misunderstanding or if some error has crept in, he should clarify how in the name of re-adjustment this drastic increase has been brought about. I complained not because it was an ordinary point which the hon. Finance Minister or any other Minister is not expected to reply in the course of his observations because of so many other points, but because of this.

12 NOON

Now, coming to the merits of the case, I would only make this submission. If the hon. Finance Minister persists in these duties, the result would be a substantial fall in the production of fine varieties. While the exchequer might get the same amount as they got last year, there will be a substantial reduction in the production of fine varieties of cloth. He will have done an irreparable injury to the industry and the consumers. After all, the law of diminishing returns is there and it has already begun to operate. I do not know whether the hon. Finance Minister has cared to find out about the clearances of fine goods, after this revised duty was introduced. I would like to bring to his notice that these clearances have suffered very terribly. There have been serious setbacks in the clearances of fine goods. If this duty is not brought in conformity with the original intentions, the result might easily be that fine production will suffer considerably. The whole amount of duty that he may be able to collect will not be very much larger than what he has collected last year, but the production as a whole will suffer and the country will suffer. After all, the duty of 15 pies will be on all sorts of fine cloth from six annas to Rs. 1/4/- per yard, which the poor people consume. The whole revision has been, I think, substantially most unscientific and he has been badly advised by his Department in bringing out this re-adjustment in the manner he has done. I would, even at this late hour, urge upon him to seriously consider the very adverse repercussions and implications of this re-adjustment which is unjust both to the industry and the consumer; and to do justice to both by bringing the re-adjustment in conformity with the original statement that he had made at the time of the Budget speech.

Mr. Chairman: Amendment moved:

In page 5,

(i) line 22, omit "and three pies",

(ii) lines 22 and 23, for "one anna and three pies" substitute "seven and a half pies".

Shri Morarka (Ganganagar-Jhunjhunu): The existing rates of duty are five per cent. on fine and 20 per cent. on superfine cloth, that is the latter is four times the former. But under the new proposal we are going to have one anna three pies per yard on fine and three annas three pies on superfine. That means the gap will be little less than three times. May I know the reason for this increase in duty on fine and decrease in duty on superfine cloth? Why this relief is given to the superfine variety while more burden is imposed on the fine? The fine variety is used more by the poor people and the superfine by the rich.

The Finance Minister said that this change from *ad valorem* to specific is not going to make any difference in the revenue collection. But, we find from the explanatory memorandum to the Budget that the expected collection is 12 crores of rupees during last year but under this rate the collection is going to be 21 crores of rupees. I know this 21 crores includes six crores collection under the Khadi and Handloom Cess Act. But even making allowances for that, we see that we are going to collect about 15 crores of rupees as against Rs. 12 crores during the last year. Secondly, I would like to know why this relief is given to superfine cloth and why an extra burden is put on the fine production, because the production of fine cloth is 150 crore yards per year while the production of superfine cloth is only 50 crore yards per year. So, I would request the hon. Finance Minister to enlighten the House on this point.

चौ० रणबीर सिंह (रोहतक) : मेरे दोस्त सोमानी जी ने अभी एक प्वाइंट रेज़ किया कि रीएडजस्टमेंट के बजाय फ़ाइन और सुपर-फ़ाइन कपड़े पर कुछ टैक्स फ़ालतू लगाया जा रहा है । मेरी अर्ज़ है कि वैसे तो यह रीएडजस्टमेंट ही है, लेकिन अगर वह इस को वैसा समझते हैं तो उन को यह भी समझना चाहिये कि देश के अन्दर जिस वक्त यह इंडस्ट्रीज़ लगी थीं उस वक्त कंज्यूमर्स को काफी से ज्यादा कुर्बानी करनी पड़ी और उस वक्त टैक्स तक लगाये गये । अब जैसा कि अहिंसात्मक ढंग से हम हिन्दुस्तान के अन्दर समाजवादी निज़ाम क़ायम करना चाहते हैं तो इस तरह के ढंग और तरीके अख़ित्यार करने होंगे और इन बातों के मुताल्लिक गिला करने से काम नहीं चलेगा ।

हम को यह समझ कर चलना होगा कि जो थोड़े बहुत प्रिविलेज्ड हैं, जो तरक्की पा गये, और आगे चले गये, उन को छोड़ कर जो पिछड़े हुए हैं, जैसे काटेज इंडस्ट्री है, उन को आगे बढ़ाना है । उन को आगे बढ़ाने के लिये हमें टैक्स देना होगा, जिस तरह दूसरी इंडस्ट्रीज़ को स्थापित करने के लिये कन्ज्यूमर्स ने टैक्स दिया था । पंजाब के अन्दर भाखरा डैम से बिजली पैदा होगी और बिजली से हम काटेज इन्डस्ट्रीज की तरक्की कर सकेंगे । लेकिन वह तभी जब कि बड़ी मिलों पर कर बढ़वा दिया जायेगा । और यह बढ़ावा तभी दिया जा सकता है, जब कि सुपर-फ़ाइन और फ़ाइन कपड़े पर हम कोई फालतू टैक्स लगायें और उस रुपये से हम काटेज इन्डस्ट्री की मदद करें । टैक्स इसलिये लगायें कि वह काटेज इन्डस्ट्री का मुकाबला न कर सकें । यह करना जरूरी है ।

Shri C. D. Deshmukh: Much has been made of the precise words I used in referring to this measure in the course of my Budget speech. I should try to make it clear what exactly I meant. Shri Somani says that he would be prepared to under write an increase of at least Rs. 1½ crores from the Budget proposals. The actual increase might be that, or even more.

Shri G. D. Somani: Provided production is maintained.

Shri C. D. Deshmukh: But I think he has misunderstood my point. His estimate of an improvement of Rs. 1½ crores in the yield from cloth during 1953-54 from the new specific duties is obviously based on the official estimated revenue yield from cloth during 1952-53. but what I had in mind was the yield in normal years from the excise duty on cloth which was of the order of Rs. 16 crores to Rs. 17 crores. The year 1952-53 was an abnormal year in which the cloth market nearly collapsed in February-May 1952 and a great deal of assistance was given by Government in order to revive the industry, and that is in spite of the statement made by the hon. Member that Government never heeds any representations made by the industry.

Shri G. D. Somani: More often than not. I did not say, "never".

Shri C. D. Deshmukh: Memories are very short. I can produce a letter of thanks which was written to me, I think, by the hon. Member himself.

Shri G. D. Somani: I thanked you publicly in this House for the reduction in export duty.

Shri C. D. Deshmukh: It means that when the representations are accepted, we get thanks; and when, for some reason, we have a difference of opinion with them, then we got something else. (*An Hon. Member*: Brickbats.) As I said. 1952-53 was an abnormal year and all that I have attempted to do is to provide for a revenue of about Rs. 15 crores during 1953-54 under cloth.

One hon. Member over there said that we have budgeted for an income of Rs. 21 crores but that includes Rs. six crores from the special concession which the House has already approved. Therefore, my intention is to realise the Rs. 15 crores on the proposed duties and according to the best of my calculations, I think we shall reach our target. On the basis of the average selling prices and the actual production of the four groups of superfine categories, grey, bleached, dyed, and printed, during the quarter ended 1952. the incidence of the duties proposed in the Bill for these categories is: fine—seven to nine per cent.; superfine—19 to 23 per cent. These compare with the *ad valorem* incidences prescribed as follows in the Central Excise Tariff before the introduction of the Finance Bill: fine—all varieties fixe per cent.; superfine—all varieties 20 per cent. Therefore, the increase is not of the order mentioned by the hon. Member.

Shri Morarka asked for the reason why there was this gap between the incidence on fine cloth and that on superfine cloth, that is, he asked why the gap should have been reduced. Firstly, the drop in the production of fine cloth as a consequence of last year's slump has been much less steep than in the case of superfine cloth, and the prices of fine cloth have also exhibited much firmer trends than the prices of superfine cloth. Moreover, the average ex-duty price range for the grey, bleached, dyed and printed groups. in each category during the period June-August 1952 was more or less identical, namely, Rs. 0-13-7 to Rs. 1-1-4 per yard. They have been almost the same for fine and superfine cloth. Since then the prices of fine cloth seem to have improved further, which cannot be said of superfine cloth with equal justification. In other words, one has to bear in mind the law of diminishing returns in fixing one's excise duties.

Then, Shri Somani said that these duties were affecting the trade already. Now, my information is that the trade, in so far as the internal trade is concerned. is brisk and if there has been any fall, that is in respect of the export demand. That export demand is not affected by the duties that are proposed here. Therefore. I am quite satisfied that what is being proposed is reasonable and that it is not going to yield any more than what the Treasury has been getting on an average in the past years.

Mr. Chairman: Would Mr. Somani like to press his amendment?

Shri G. D. Somani: No. I beg leave to withdraw it.

The amendment was, by leave, withdrawn.

Mr. Chairman: The question is:

"That clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 8.—(*Discontinuance of Salt duty*).

Amendment made:

In page 5, line 31, for "including" substitute "excluding".

[*Shri P. T. Chacko*]

Mr. Chairman: The question is:

"That clause 8, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 9.— (*Inland postage rates*)

Shri K. K. Basu: I beg to move:

(1) In page 5,

(i) omit lines 36 to 39.

(ii) in line 40, for "(ii)" substitute "(i)".

(2) In page 5, line 42, for "eight annas" substitute "six and half annas".

My first amendment seeks to do away with the proposal to increase the postal rates on book pattern and sample packets and the second one seeks to reduce the proposed rate from eight annas to six and half annas. What I want to emphasize is this. In our vast country, a large number of packets are sent to the countryside from the towns. Ordinary, common people have to send book packets or medicine packets. It is necessary that Government should not tax them more. Ultimately, the burden falls on the consumer. In the Budgets of the Central and State Governments, very little provision is made for educational and other social service activities. In view of this, Government should not ask Parliament to sanction these enhanced postal rates.

I would like to emphasize another point from the standpoint of the common traders. We know that sample packets and other things have to be transmitted by post for advertisement and such purposes by the middle-class trading community which predominates in our country and which mostly consists of Indian nationals. I would therefore emphasize this point and would suggest to Government that they should rather go in for taxation of those categories of goods which can bear enhanced taxation instead of taxing the common people and the common trading community who will ultimately go out of existence or at any rate suffer badly in their vocation.

That is the short point I want to emphasize and I hope that Government would accept my amendments.

Mr. Chairman: Amendments moved:

(1) In page 5,

(i) omit lines 36 to 39.

(ii) in line 40, for "(ii)" substitute "(i)".

(2) In page 5, line 42, for "eight annas" substitute "six and half annas".

Shri Nambiar: I wish to speak a few words in support of the amendments moved by my hon. friend Mr. Basu. I strongly feel and I want to drive home to the Treasury Benches that this increase of rate is very very reprehensible and the people as a whole do not agree to this. they oppose it. The Government wants to increase the postage rate on book post. The book post is generally used by the middle classes and educational institutions. There is no reason why the book post rate should be enhanced in this manner. I can understand taxation from other sources, sources that can be taxed. But this is a tax on the middle classes. The middle classes are already hard hit under the existing conditions of wage cut, retrenchment, post-war crisis and so on. Under the circumstances I cannot understand the working of the brain behind this proposal. I would appeal to Government not to press but to drop this proposal.

The other thing is packets. The proposed increase in the rate for packet posts is also equally bad. I can say from the comments made by all sections of the people, commercial interests, etc. and from the comments in the newspapers, they are all united in opposing this move. And much money is not being obtained through this source. When the hon. Finance Minister is dealing with Rs. 400 crores and when he says that so much money is still to be raised from public sources, etc., why should he tax the ordinary middle classes who are already finding the taxation unbearable? I would request the Minister to drop this proposal and accept the amendments moved by my hon. friend, Mr. Basu.

The Deputy Minister of Communications (Shri Raj Bahadur): I think the position with regard to the increase in postage rate on book and packet

[Shri Raj Bahadur]

post has not been fully understood by the hon. Member. Probably he thinks that book, pattern or sample packets go to rural parts and are things which are required by the common man; and on that plea he has tried to oppose the increase in rates. I may respectfully submit that so far as pattern or sample packets are concerned they are essentially coming from big manufacturers who have to pay for the postage, As such there is no reason why, in respect of a Department, which the hon. Members opposite want to be run purely on commercial lines and which they have been saying should be commercialised by rationalisation of rates so that no loss is suffered, they should now want that it should oblige the big business and suffer the burden of loss itself or make it fall on the common man.

I can say for the information of the hon. Members that, on an average, the loss to the Department on every unit of unregistered packet has been calculated to be 8·4 pies, on every registered packet 6 annas 7·5 pies, and on every V. P. packet 12 annas and 4·3 pies. The total annual loss on all these three items is of the order of Rs. 59·7 lakhs, Rs. 18·2 lakhs and Rs. 15·4 lakhs respectively.

It has therefore been necessary, in order to provide the ordinary postal facilities in the rural areas to the common man, that we should not allow this Department to incur a heavy loss on these articles and that we should try to equalise the burden of taxation so far as it is possible.

It has been said that the common booksellers have been affected and that it will be difficult for booksellers to send their books to far off places. It is common knowledge that books are mostly sent by railway parcels and in bulk quantities to outside stations. Locally they are available in the market, and therefore no question of postage arises. It is only a minor fraction of them that are sent by post. As such the burden does not fall on the bookseller himself but it also falls on the shoulders of the customer.

I am surprised to hear the point of view of the traders and the big business being voiced by the Members opposite who have said that the trader-class is going to be affected by this increase. And Mr. Nambiar has gone to the extent of saying that this increase is "reprehensible" on this ground. He has come as a champion of the trading class. I wonder why and how this change has come about. As a matter of fact, as I was submitting, the burden of this increase on postal rates is not going to fall on the small bookseller or the small trader. Perhaps the hon. Member has in mind a petition which has been circulated. and some reference may be made to that. That petition also comes from a firm which deals in law books. Mostly, law books are not used by the common man or in the rural areas or by the peasants or the labour classes. They are used by lawyers, by the litigant public, which also belong not to the common class but to a special class with some interest, vested or otherwise. So, that burden is not also going to fall on the common people. But I am happy to see the change. I welcome the change and their coming as champions of the interests of big business.

Shri K. K. Basu: In the national interest.

Shri Raj Bahadur: We have tried to scale down the loss by this increase. But even this increase will not enable us to wipe out the loss that the Department is suffering on these articles at present. It will be hardly 40 to 50 per cent. of the loss that will be covered by the proposed increase in the postal rates.

I therefore oppose the amendments moved by Mr. Basu.

Shri Nambiar: It goes on to the consumer at last.

Shri Raj Bahadur: Law books are consumed by the lawyers and not by the common people.

Mr. Chairman: Does the Finance Minister want to say anything on this?

Shri C. D. Deshmukh: I have nothing to add.

Mr. Chairman: The question is:

In page 5,

(i) omit lines 36 to 39.

(ii) in line 40, for "(ii)" substitute "(i)".

The motion was negatived.

Mr. Chairman: The question is:

In page 5, line 42, for "Eight annas" substitute "Six and half annas".

The motion was negatived.

Mr. Chairman: The question is:

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

The First Schedule

Shri C. D. Deshmukh: I beg to move:

In page 13, line 10, in column 5, for "75" substitute "65".

The object of this amendment is to correct a printing error which has crept in. The figure should have been 65 and not 75: 75 is a misprint.

Mr. Chairman: The question is:

In page 13, line 10, in column 5, for "75" substitute "65".

The motion was adopted.

Mr. Chairman: There are several other amendments but I think most of them are not allowed. They have been disallowed.

The question is:

"That the First Schedule, as amended, stand part of the Bill."

The motion was adopted.

The First Schedule, as amended, was added to the Bill.

The Second Schedule

Shri C. D. Deshmukh: I beg to move:

In page 17,

(i) line 8, after "48(1)" insert "48(3)"; and

(ii) line 9, after "59(4)" insert "59(5)".

We seek to insert these two items which again, I am sorry to say, were inadvertently omitted. These items which ought to occur in the Schedule are not to carry any surcharge.

Mr. Chairman: The question is:

In page 17,

(i) line 8, after "48(1)" insert "48(3)"; and

(ii) line 9, after "59(4)" insert "59(5)".

The motion was adopted.

Mr. Chairman: The question is:

"That the Second Schedule, as amended, stand part of the Bill."

The motion was adopted.

The Second Schedule, as amended, was added to the Bill.

The Third Schedule

Shri C. D. Deshmukh: I beg to move:

In page 17, line 16, omit "27(4)".

Because this entry was carried forward from the previous Finance Act where. I regret to say, it appeared inadvertently. This item already appears in the second Schedule, that is to say, it carries no surcharge and therefore it cannot be in the third Schedule.

Mr. Chairman: The question is:

In page 17, line 16, omit "27(4)".

The motion was adopted.

Mr. Chairman: The question is:

"That the Third Schedule, as amended, stand part of the Bill."

The motion was adopted.

The Third Schedule, as amended, was added to the Bill.

Clause 1, the Title and the Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill, as amended, be passed."

Mr. Chairman: Motion moved:

"That the Bill, as amended, be passed."

Shri Gidwani (Thana): The hon. Finance Minister, while replying on Thursday stated that the principle of paying compensation from the revenues of the Government has not been accepted by the Government. I would like to give him a brief history of the whole case so that he may be aware as to how Government had committed themselves previously regarding this matter. I would not go into the long history of the case. I will only refer to the two conferences which were held by the Government. One was held in 1949 presided over by the late Shri Gopalaswami Ayyangar when Shri Mohanlal Saksena was the Minister. In that conference, 60 representatives of the displaced persons were invited and Government was represented by their Ministers and Secretaries. In that conference, Shri Gopalaswami Ayyangar stated in the following words:

[Shri Gidwani]

"Who says that compensation shall not be paid? It shall be paid. It may be partly paid in cash, partly in kind and partly in some kind of bonds."

After that Claims Act was passed and a big department was set up and claims were verified. Then there was another conference in 1950 called by Government which was also presided over by the late Shri Gopalaswami Ayyangar. At that time Shri Ajit Prasad Jain was the Minister. In that conference, apart from Shri Jain and the late Shri Gopalaswami Ayyangar, Shri Mehr Chand Khanna, Mr. Chandra and the late Rehabilitation Minister of Punjab, Dr. Lehna Singh and Mr. Bhide, the then Minister of Rehabilitation of PEPSU, and other officials were present. On the non-official side, Bakshi Tekchand, Mr Jaspat Roy Kapur, M.P., and myself were invited That conference was held immediately after Pandit Nehru visited Pakistan and had met the late Mr. Liaquat Ali Khan. The Pakistan Rehabilitation Minister Mr. Shahabuddin was to arrive in Delhi for further discussions about evacuee property and other matters. Two days previous to that, a conference was held. In that conference, while discussing the evacuee property question, the question of compensation was raised because after the Compensation Act was passed, the displaced persons were not filing their claims. There was no response to the Government's call for filing claims. Claims Officers were appointed but there was no work, the reason being that the displaced persons had lost faith in the Government's sincerity because earlier, when we came from Pakistan, then also claims were filed but those were thrown into the waste paper basket. The displaced persons had spent lakhs of rupees and wasted much of their time. They were not filing claims this time because they felt that the fate of these new claims may also be the same. Then the question was raised. We asked the late Shri Gopalaswami Ayyangar as to how the compensation would be paid. He said, that there were three sources. "X" will be the value of property left by the Muslims in India. "Y" will be the difference in value that we expect to get from Pakistan between the properties left by Hindus and Sikhs in Pakistan and the properties left by Muslims in India, "Z" will be the Government contribution. We told him that "Y" would be zero because we have seen from previous experience that our Government is not capable of getting anything from Pakistan. Let us therefore eliminate "Y". Then he said "I assure you that we shall pay you from Government of India's resources a substantial amount". I told him that a substantial amount may be a lakh, it may be a crore but that will not satisfy us. Then he uttered these words. "A substantial amount which shall not dissatisfy the displaced persons". That conference took place in July 1950. After that we issued an appeal to the displaced persons to file their claims and more Claims Officers were appointed. Nearly we have spent a crore of rupees on this Department. Apart from Government spending that amount, the displaced persons have also spent lakhs of rupees. They had to go several times to the Claims Officers. They had to purchase stamps, and postal orders. They had spent on the journeys. Our Government has earned a lot of money on account of these claims being filed and re-filed. I will also tell you that for one month and a half, from 1st September 1952 to 15th October, 1952 the Claims Department did practically no work and the Government was put to a loss of Rs. two lakhs because the work was not arranged properly. But, that is a separate matter.

[MR. DEPUTY-SPEAKER *in the Chair*]

After that, during the last elections, Shri A. P. Jain said repeatedly that compensation would be paid and that Government would also contribute its quota. I may also tell you that Government appointed a Committee called the Tekchand Committee of which I was also a member. It went into all aspects of the question and submitted its report. That Committee consisted of seven representatives of the displaced persons.

We submitted a unanimous report. In that we have also mentioned that compensation be paid from three sources, one, the value of the property left by Muslims, the second instead of the source 'Y' mentioned by the late Shri Gopalaswami Ayyangar, we have recommended that the amount spent by Government on houses and shops constructed by them and the loans that have been advanced to displaced persons should also be put in the pool. Even that was not considered by the Committee sufficient for the purpose. Therefore, the third source which Committee recommended was Government contribution. This was our unanimous report. At the same time the

Government held two conferences: conference of Rehabilitation Ministers of various States, and a Conference of Custodians and Secretaries of the various States. All the committees have submitted schemes on the basis of which the Rehabilitation Ministry has framed a new scheme which has been submitted to the Cabinet for its consideration.

From all this, you will see that, it is not once, it is not twice, it is not by one Minister, it is not by two Ministers but, by three Ministers, solemn assurances have been given at various stages that they shall pay compensation. I may further add, that in the beginning it was thought that the value of the properties left by Muslims in India will be about Rs. 300 crores or Rs. 350 crores. Then, it came down to Rs. 250 crores. Then it came to Rs. 100 crores. Now, I do not know what the value of that property is, because we have various enactments, various amendments, and various ways of dealing with the question. Even according to the Government's calculation, the value of evacuee property is not more than Rs. 100 crores. Originally, it was said that the value of property left by Hindus and Sikhs in Pakistan would be to the tune of Rs. 2000 crores. Then, it came to Rs. 1000 crores. Its valuation made by the Government, revised and rationalised, comes to about Rs. 600 crores. You can see that according to the latest calculation, the value of the Muslims' property is one-sixth of the value of the property that displaced persons have left in West Pakistan. I am only talking of urban property. Movable property and immovable property of displaced persons who were living in villages has not been calculated. Government scheme is only about the urban property. Other urban property in sanitary committees in Sind, property in *mandis* in Punjab, etc. has not been taken into account. That would also amount to many crores. I was going through this previous history to show that it is absolutely necessary that Government should contribute its quota to the compensation pool; otherwise the amount for compensation will be very small. Therefore, it is high time that the Cabinet Committee decided this issue as early as possible. I have brought this question before you because the first meeting of the Cabinet Committee is taking place in this connection on the 20th April, 1953.

I may further add that the displaced persons have placed their faith in the assurances of the Government for so many years that they will get this compensation. Now, in the words of Mr. Jain, it is not really compensation, it is part of rehabilitation. Therefore,, I urge upon the Finance Minister to be generous enough. After all, the sufferings that the displaced persons have undergone have no parallel in the history of the world. The people in the political field might have gone to jails or might have been fined some thousands of rupees. But, there is no parallel to this where lakhs of people have been uprooted from their hearths and homes and have undergone intense sufferings in various ways. I am not going to refer to other matters. The Finance Minister's statement has created a feeling of discontent, not only among the displaced persons but even others have certain misgivings about it. In this connection I shall read a few lines from the *Times of India* of today's date. It says:

> "On Thursday the Union Finance Minister made an important statement in Parliament on the subject of payment of compensation to displaced persons. Unfortunately, instead of clarifying the issue, it has confused it even further........
>
> For practical purposes, the matter was, however, settled—at least so it was thought at the time—when the Rehabilitation Minister announced categorically last September that the Government would add its own mite to the evacuee property pool from which displaced persons received compensation."

In the end it says:

> "Does this mean that the Government is preparing to beat a strategic retreat and to back out of its earlier promises to swell the compensation pool by putting some of its own money into this fund?"

This is so far as the question of compensation is concerned. This question does not affect a few lakhs of persons. Nearly twenty-five lakhs people are affected. To save them from physical and moral death, it is essential that this question should be settled as early as possible.

I am thankful to Shri Deshmukh for his sympathetic attitude towards the question of ejecting the displaced persons from the houses in which they are living. They are unable to pay the rent. I was really touched when

[Shri Gidwani]

he said. "we must take a commonsense view of the thing". People who have been rehabilitated should not be dehabilitated. Similarly there is another question, *viz.*, the recovery of small loans. As I said previously, displaced persons were given small loans, from Rs. 50 to Rs. 5,000. There are some cases where they have been paid from Rs. 200 to Rs. 300. They are being asked now, after three years to return those small amounts in three instalments, with three per cent. interest. This is not being done under the ordinary law of the land. It is not under the Civil Procedure Code. A new law has been enacted in the case of the recovery of rents as well as recovery of loans from displaced persons. In default of payment of either arrears of rent or arrears of loans the recovery is to be made as arrears of land revenue which means attachment of goods and it also involves imprisonment of the defaulters. These matters affect lakhs of people. I would therefore urge upon the Finance Minister, and through him, upon the Government, not to delay this matter any further, but to arrive at a satisfactory solution on the 20th, which will go to rehabilitate the displaced persons who are eagerly looking for early payment of compensation.

I may tell Mr. Deshmukh again that when he took that sympathetic attitude towards the question of recovery of rents, I was touched, and I would appeal to him to take a similar attitude in this important question as well which affects the well-being of lacs of displaced persons.

Shri K. K. Basu: Within a few minutes the curtain is going to be drawn in the great drama that has been played for the last three or four weeks in which, in spite of his amiable nature, the Finance Minister played the role of a villain, if I may be permitted to use the expression, because we feel in the financial proposals today, more especially in the background to the main trump card which they have propagated with so much fanfare—the Five Year Plan—the common people have very little to enthuse about.

I shall begin first with the Finance Minister's speech in reply to the general discussion on the Finance Bill. He tried to emphasize the problem in his way. If we want to improve the existing industrial units, there will be necessary retrenchment.

I take the example of the jute industry. Our idea is that there should be a retrenchment of over 40,000 people because of this improvement in the productive unit by installing new machinery. But the Finance Minister himself said it might go up to 80,000. Similarly, if we look to plantation industries like tea, about which we have had a discussion in this House, 30,000 to 40,000 workers are affected. If you look at the recent report of the Port Commissioners in Calcutta, you will find the Chairman himself says that 3,000 people are going to be retrenched. Similarly, the other day, our Deputy Minister has given us the figure that 3,000 are going to be retrenched or declared as surplus immediately. This is the picture, this is the prosperity that our Government put before the people and ask the people to enthuse about and support their Plan. The result is that even the existing persons who are employed in different industries are going to be thrown out of employment. Over and above that, there is one other matter to which I would like to refer, because the hon. Finance Minister referred to it the other day, that even among Government servants, before they are declared surplus, the Government tries to absorb them in a different department.

Mr. Deputy-Speaker: This is the third reading on the Finance Bill. In the first reading all and sundry from China to Peru may be talked. After the second reading, during the third reading, the discussion must be confined to the Finance Bill.

Shri K. K. Basu: I am coming to that.

Mr. Deputy-Speaker: What is the meaning of coming to it later?

Shri B. S. Murthy: He is coming to it.

Shri K. K. Basu: These relate to policies.

Mr. Deputy-Speaker: The hon. Member has to speak in respect of the effect of the Finance Bill now.

• **Shri K. K. Basu:** Even there we have found that in the same Government department, on one side there is retrenchment, and on the other side, new people are taken in. I know particularly of the Disposals Department at Calcutta. News comes on to me every month, that some persons have been retrenched, but at the same time even in the same Central Government department at Calcutta, and specially in the Income-tax and other departments new people are being taken in, and these retrenched personnel do not get any preference. A number of persons is retrenched every month on the ground of being surplus.

In this connection, I would like to refer to one other point, which does not directly refer to this, and that came out in a recent judicial decision that a larger number of Government employees who were employed during the war had been appointed under letters of appointment which were signed by persons who were not authorised under the Government of India Act to do so. Unfortunately, those persons were not properly appointed, and so they cannot claim any relief under article 311 of the Constitution. The Government have not so far come forward to correct this mistake of either themselves or their predecessors, which was made when so many Government employees were appointed during the war. And yet Government want the people to enthuse over the Plan and the financial proposals which have been made to make the Plan successful, so that in the next three years, our national income *per capita* would increase, and the people would be benefited.

There are tales of other misfortunes that the common people suffer either in the form of famine or scarcity, whatever terminology they might adopt to describe it.

With this picture in view, I would like to criticise the attitude of the Government, so far as the financial proposals are concerned. The Government have tried to give certain concessions to foreign capital. They have also sought to give rebate on super-tax in respect of dividends from a subsidiary Indian company of a foreign concern which is having branches here. I do not know why the Government are so sympathetic and slack in respect of these concerns. Even as I have said in the earlier discussion, these foreign concerns have played a role which can by no means be called to be in the interests of the nation. Even today, foreign capital is allowed to come in, and exploit in the same old fashion. You have accepted the proposition that foreign capital may be brought in, but our only point is that do not allow foreign capital to come and exploit our own industries. It may be said that whatever foreign capital comes it should come through Governmental agencies. Even then, we feel that foreign concerns should be allowed to grow here only in cases where our national capital does not come forward, and also in cases where we feel that they should supply us the know-how. Now, what is the role that these foreign concerns, which have been in existence here for a long time, have played? Recently, there were some questions and discussions on the treatment meted out to the Indian employees in these foreign concerns. We have seen how a number of Indian assistants were recruited during the war and they gained experience and began to occupy very important positions, but as soon as the war was over, they were demoted or retrenched and Europeans were brought in on emoluments much higher than those enjoyed by then Indian counterparts. When the Government wanted to have information about the personnel engaged by these concerns through a questionnaire, they evaded it. Government do not want to bring the real picture before the House.

As to the key positions held by these foreigners, they do not like to train Indians in the 'know-how'. If the Government let this policy continue, their stand that they will bring in these foreigners only so long as they are not able to get suitable Indians will not bear scrutiny. If this is allowed to continue, even after 10 or 15 years we will be in the same position and the same theory that there are not enough suitable Indians and we have to bring in foreigners will be brought forward.

In this connection I also want to reiterate a thing which I have already said. Of course, the Finance Minister gave me an assurance on this point, but we should not allow these foreign concerns either to set up new industries or enhance the investment in existing undertakings where we have our national industries. These industries have been built up for the last several years. We have seen during the discussion that a large number of foreign companies, either through their Indian subsidiaries or through combines, are being allowed to exploit the market where we have genuine national industries. These relate mostly to consumer goods. We apprehend that in the near future these concerns may take advantage of our economy and compete with, and throttle, our national industries.

In this connection also I tabled an amendment which, unfortunately, I could not move. That was about the

[Shri K. K. Basu]

income-tax evasion indulged in usually by these foreign companies. Mr. Tyagi said the other day that we have reports from the department that these foreign concerns are evading income-tax in many ways. They have many payments in kind. They have their officers here who are on 'all found' terms. Their children and their dependents are paid in England. They have here houses which are fully furnished with all the paraphernalia. free motor car etc. with the result that the taxable income becomes very low. *(Interruptions).*

Mr. Deputy-Speaker: Order, order. Hon. Members ought not to carry on conversations like this.

Shri K. K. Basu: When the Income-tax (Amendment) Bill was brought in, the hon. the Finance Minister said that in the near future a comprehensive legislation was envisaged which would put a stop to all these evasions and plug all the loopholes. But unfortunately we have no indication of it. On the other hand. we have before us proposals which give concessions to these foreign undertakings. The time has come when we should consider what attitude we should adopt towards these concerns. whether we should allow them to continue here unless they play fairly and squarely so far as our national economy is concerned.

We have also seen the concessions to these combines. We know the ICI-Tata combine had a proposal to manufacture dye-stuffs. But today we are told that they want to import them and not to manufacture them and will only be packed and sold here. So we have not got a heavy chemical industry here. which we need so badly.

Therefore, I would like to emphasise in connection with these financial proposals that the Government should develop a condition of things wherein the people should feel enthused that they can support them and that they are in the context of the national Plan in which the Government asks the people to co-operate.

In this connection—I do not know whether it would be purely relevant or not—I would like to suggest this. In the Planning Commission Report the private sector is supposed to supply about 500 crores of rupees from their savings. We know that the British capitalists earn about 36 crores of rupees on dividends over and above another 60 crores. This is from the records of the Government itself. We know that they have taken as dividends much more than what they have invested. I do not want them to be expropriated because you will not accept it. Why not put a limit to this pront for the time being? Why not a limit be put that they will not be allowed to take back more than one per cent. return on the investment and the rest should be ploughed back to the industry so that they can help the growth of our industrialisation? As the bell has rung and as I have very little time. I will not go over this for a long time, and I hope that these factors will be taken into consideration.

One more point about the big schemes that we are having. We should have a Parliamentary Commission or a permanent Parliamentary Committee to go through every proposal of these multi-purpose projects or big undertakings. It is no use after three years, after our national money has been wasted, for the Public Accounts Committee to go through that and give a report that this mistake should have been avoided. Possibly another mistake will be committed in another three years and the Public Accounts Committee will take a further three years to comment upon that. While the nation's wealth is being utilised, a Parliamentary Committee should sit in judgment over every proposal and not allow such things to continue, as when the other day Mr. Deshmukh said that in Hirakud some works were done which ultimately may not prove worth while.

Before I conclude I would like to impress upon the Finance Minister two matters of our province. One is about the Ganga Barrage Scheme. It is not a question of Bengal alone. It is the question of maintaining India's biggest port, the Calcutta Port, and also of a direct land route to Assam, through which one of our main foreign exchange earner, tea comes in. In Sunderbans area in southern Bengal we have got the possibilities of oil facilities and it has large cultivable areas. The area is under the provincial Government. Times are changing and it has to be tackled on the oasis of a national programme. The Goverment should see that this area should be developed in the near future so that it may develop into a granary. At any rate, it may solve our food deficit.

1 P.M.

Mr. Deputy-Speaker: We have finished the clause-by-clause consideration stage. It is only the third reading. I think many Members are not interested. We will now adjourn and meet again at 4 P.M. today.

The House then adjourned till Four of the Clock.

The House re-assembled at Four of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

Mr. Deputy-Speaker: When I said this morning that our sitting now would commence at four I had expected that the whole morning would be taken up over the clauses, but we finished all the clauses by 12-25 or so. There was so much time left, and so we had the discussion. In view of the half an hour we have already spent, I think we must finish this discussion by 4-30. I only wanted to give an hour for the third reading.

Shri P. N. Rajabhoj (Sholapur—Reserved—Sch. Castes): Make it five, Sir.

Shri M. S. Gurupadaswamy (Mysore): Yes, Sir. Let us extend it up to five.

Mr. Deputy-Speaker: Very well. We shall have it up to five. How long will the hon. Minister take?

Shri C. D. Deshmukh: At the most ten minutes.

Mr. Deputy-Speaker: I will call him fifteen minutes before five. Since a number of hon. Members are anxious to speak, each may take ten minutes. At five, we will take the Tea Bill and sit till six. If that Bill is passed within a few minutes, hon. Members will have the rest of the evening for tea. Otherwise, we will carry on till six.

श्री धुलेकर : जो प्रस्ताव माननीय अर्थ मंत्री जी ने उपस्थित किया है उस के समर्थन के लिये में खड़ा हुआ हूं । यह बात तो स्पष्ट है कि जो बजट हम ने पास किया है उसी से यह फायनेंस बिल बन्धा हुआ है । और इसलिये बजट के सम्बन्ध में जो कुछ भी बातें कही जा सकती थीं, वही बातें फायनेंस बिल के सम्बन्ध. में भी कही जा सकती हैं और जो किसी प्रकार की सूचनायें या उस के ऊपर कटाक्ष किये जा सकते हैं तो वह इस में निहित हैं । मैं यह बताना चाहता हूं कि जो बजट पेश किया गया है वह साधारण बजट जैसा कि पिछले वर्ष उपस्थित किया गया था वैसा ही बजट नहीं है और उस बजट के समान यह फायनेंस बिल भी साधारण बिल नहीं है । इस की एक हिस्टारिक वैल्यू है, एक ऐतिहासिक मूल्य है, और प्लानिंग कमीशन की जितनी योजनायें हैं उन का यह प्रारम्भिक सूचक है । इसलिये मैं समझता हूं कि इस फायनेंस बिल के सम्बन्ध में जो कुछ भी बातें हम को देखनी हैं वे इस प्रकार से देखनी चाहियें कि जो बजट हम ने तीन सप्ताह तक पूर्ण रूपेण विचारा वह इस बिल के द्वारा पूरा समर्थित होता है कि नहीं । मेरा कथन है कि पूर्ण रूपेण हम ने बजट पर विचार कर लिया तो हम समझते हैं कि यह फायनेंस बिल अवश्य पास होना चाहिये ।

जो कुछ बातें बजट के सम्बन्ध में कही गई थीं, उन की मैं सरसरी तौर पर चर्चा करूंगा । एक बात यह कही गई कि जो कुछ प्राजैक्ट्स या योजनायें हमारे भारत वर्ष में चलाई जा रही हैं उन में रुपये की बहुत भारी बरबादी है । दूसरी बात जो कही गई है वह यह है कि हमारे अर्थ मंत्री ने यह जो नई योजना डैफिसिट फायनैन्सिंग की निकाली है वह हमारे लिये इस समय उचित नहीं है । तीसरी बात यह कही गई है कि हम अमरीका से और अन्य देशों से जो धन की सहायता लेते हैं और साथ साथ जो टैक्नीकल सहायता भी लेते हैं यह हमारे लिये उचित नहीं है और हम को इन दोनों सहायताओं को ठुकरा देना चाहिये । इस के साथ साथ यह भी कहा गया है कि हमारे यहां के जो आफिसर्स हैं, नौकरशाही है, वह इतनी करप्ट और खराब है कि हमारी योजनाओं को बिल्कुल बरबाद कर देगी । मैं इन सारे क्रिटिसिज्मस को और जो ये कटाक्ष हैं इन को पूण रूपेण सत्य नहीं मानता हूं । यह तो कोई कह नहीं सकता कि कोई भी बात या योजना जो पेश की जाती है वह पूरी की पूरी ही अच्छी होती है और उस में किसी प्रकार की बुराई नहीं होती । मैं आप की आज्ञा से अपने आनरेबिल मैम्बर्स को यह बतलाना चाहता

[श्री धुलेकर]

हूं कि यह जो बजट इस समय पास हुआ और उस के लिये जो फायनेंस बिल पेश हुआ यह असाधारण समय में हुआ है। हमारी परिस्थिति इस समय क्या है? इस समय हमारी परिस्थिति यह है कि हमारे यहां जो ३६ करोड़ की जन संख्या है वह एक स्तर की नहीं है और इसलिये हम अमरीका या इंगलेंड में या दूसरी जगह जो जनसंख्या है और उन पर जो टैक्सेशन का वज़न लादा जाता है या जो योजनायें वहां चलाई जाती हैं या जो राज्य व्यवस्था वहां कायम की जाती है या जो अर्थ व्यवस्था वहां कायम की जाती है या जो वहां की फायनेंशियल पालिसी होती है, वह अर्थ व्यवस्था हम यहां लागू नहीं कर सकते हैं। हमारे भारतवर्ष में इस समय जैसा कि हमारे अर्थ मन्त्री महोदय ने कहा मिक्स्ड इकानामी है। मिक्स्ड इकानामी का अर्थ यह है कि यहां सोशियलिज़्म भी कुछ चल रहा है, कैपिटैलिज़्म भी है, स्टेट सोशियलिज़्म भी है, क्रूड बार्टर सिस्टम भी जारी है, बारोइंग भी जारी है। हम परदेशों से टैक्नीकल एंड मानिटरी ऐड ले रहे हैं। हमारे यहां काटेज इंडस्ट्रीज़ भी जारी हैं, ग्राम उद्योग भी चल रहे हैं। साथ साथ प्राइवेट और स्टेट, निजी तौर पर और सरकारी तौर पर बड़े बड़े व्यवसाय, इंडस्ट्रीज़ भी चल रही हैं। हमारी ऐग्रीकल्चरल इकानामी में, हमारा जो खेतिहर समाज है, जहां ऐसा भी समाज है कि एक बीघा ज़मीन जोतता है और ऐसा भी समाज अब पैदा हो गया है कि जो ५ हजार एकड़ अप टु डेट मैशीनरी से, ट्रैक्टर से और बिजली से जोत रहा है। इसलिये जब हमारे यहां इन ३६ करोड़ मनुष्यों की बात हो, जहां पर कि एक आदिवासी से ले कर उन्नत से उन्नत मनुष्य मौजूद हों, जहां जन संख्या इस प्रकार की हो, वहां यह कहना कि हम एक इकानामी चाहें वह रूस की हो या अमेरीका की हो, को हम चलायें, यह बात नहीं हो सकती है। यह बात असम्भव है। इसलिये हमारा कर्तव्य हो जाता है और हम बाध्य हैं कि हम मिक्स्ड इकानामी चलायें, हम डैफिसिट फायनैंसिंग करें, हम थोड़ा थोड़ा कर्जा हर एक मनुष्य से लें और हर प्रकार के मनुष्यों से, ठेके से भी काम लें, सरकार अपनी अमानी से भी काम ले, इस सब के लिये हम बाध्य हैं।

हमारे कुछ मित्रों ने कहा कि हीराकुंड में, पंजाब से हज़ारों मज़दूर आये हैं। किसी ने कहा कि लाखों रुपया वहां पर बरबाद हुआ है कि जिस की वजह से शायद बांध बनते बनते वह पूरा नहीं बन पावेगा। मैं यह कहना चाहता हूं कि इस सब के लिये हम को सोचना चाहिये कि सब जगह एक ही प्रकार से काम नहीं हो सकता है। जब हम बड़े बड़े प्रोजैक्ट्स और योजनाओं को फैलाये हुए हैं तो हम बाध्य हैं कि समस्त लोगों की हम सहायता लें।

इसी प्रकार से फौरेन पालिसी भी हमारे लिये एक ऐसी चीज़ हो गई है कि जिस के लिये एक निश्चित मार्ग कर लेना कि या तो अमेरीका के साथीदार हो जायें या रशिया के साथीदार हो जायें या इंगलेंड के साथीदार हो जायें या इंडोनीशिया के साथीदार हो जायें या चाइना के साथीदार हो जायें, यह कठिन है। हम यह नहीं कर सकते। इसलिये जब हमारे ऊपर दूसरे पक्ष की तरफ से कटाक्ष किये जाते हैं कि हमारी वैदेशिक नीति भी ठीक नहीं है तो हम यह कहते हैं कि हम ऐसी दुनिया में उपस्थित हैं कि जिस में हमारे लिये कोई नीति हो सकती है तो वह एक ही नीति हो सकती है कि दुनिया के जितने लोग हैं उन को हम अपना मित्र मानें और हर एक से वही बर्ताव करें कि जो हम चाहते हैं कि दूसरे हमारे साथ करें।

इसलिये हमारा बर्ताव दूसरों से मैत्री पूर्ण है, यहां तक कि हमारे जनसंघ, और आर० एस० एस० और अन्य मित्र लोग हैं वह हम से कहते हैं कि पाकिस्तान से आप भाईचारा क्यों रखना चाहता हो, पाकिस्तान तो बहुत बुरा है, लेकिन मैं उनको कहता हूं कि भाई मेरे केवल गाली देने से तो कुछ होगा नहीं। हम जगत म जब बैठे हुए हैं तो हमारा कर्तव्य इस बात का है कि जिस तरीके से बात सुलझती हो, उस प्रकार उस को सुलझायें। अगर हमारे मित्र यह कहते हैं कि हम को बात बहुत जल्दी सुलझाना चाहिये, और जम्मू और काश्मीर का सारा मामला यू० एन० ओ० से वापिस ले लिया जाये तो मैं उन से पूछना चाहता हूं कि आप दुनिया में बैठेंगे कहां ? मैं तो उन मित्रों से साफ और मोटे अक्षरों में पूछना चाहता हूं कि फर्ज कीजिये कि मैं आप के मोहल्ले में रहता हूं और मैं मोहल्ले के लोगों के साथ मैत्रीपूर्ण सम्बन्ध न रक्खूं, उनके साथ मित्रतापूर्वक न रहूं तो मुझे बतलाइये कि मैं उस हालत में किस के घर बैठने पाऊंगा, इसलिये हमारी जो दूसरे देशों के साथ मैत्री और भाईचारे की नीति है, वह बहुत ठीक और उचित है। एक बात और भी मैं यहां पर कह दूं कि हमारे मित्र लोग जो नेशनेलिज्म के ऊपर इतना जोर देते हैं, मैं समझता हूं कि यह नेशनैलिज्म का कीड़ा इतना घातक सिद्ध हुआ है कि जिस की वजह से आज सारी दुनिया त्राहि २ कर रही है। पहला महायुद्ध जो हुआ और जो दूसरा महायुद्ध हुआ, यह सारी चीजें आखिर किस चीज़ का परिणाम हैं, आप देखेंगे कि इसकी तह में यही नेशनलिज्म है, हम अपनी नेशनलिज्म, राष्ट्रीयता कों इतना बढ़ाते चले जाते हैं कि हरएक मनुष्य यह समझता है कि जिस राष्ट्र का मैं हूं, वही राष्ट्र सब से अच्छा है और बाक़ी जितने अन्य लोग हैं, दूसरे देशों के रहने वाले हैं, वह सारे के सारे खराब हैं, वेईमान हैं, चोर हैं, और डाकू हैं, मैं समझता हूं कि ऐसी भावना बहुत ही गलत है। हम सारे जगत में रहते हैं, अन्तर्राष्ट्रीय जगत में रहते हैं और हमारा कर्त्तव्य है कि हम सब से मिल जुल कर चलें और किसी को अपना दुश्मन न समझें और सब से मैत्रीपूर्ण व्यवहार रक्खें।

फिर उस के बाद प्लानिंग कमीशन की रिपोर्ट पेश हुई और उस के लिये करोड़ों रुपये का खर्चा हम ने पास किया, जब हम ने इतना बड़ा खर्चा पास किया तो हमारा कर्त्तव्य है कि हम एक ऐसा बजट पास करें जो कि प्लानिंग कमीशन का सहयोगी हो, हमारा फाइनेंस बिल प्लानिंग कमीशन की आवश्यकताओं के अनुरूप होनाचाहिये। इसलिये मेरा कहना है कि फोरेन पालिसी के नाते से, इंटरनेशनलिज्म के नाते से और अपनी घरेलू व्यवस्था के नाते हमारा कर्तव्य हो जाता है कि हम फाइनेंस बिल को सपोर्ट कर के आगे ले जायें और इस प्रकार आगे ले चलें जिस से हम उस पंचवर्षीय योजना में पूरी तरह से सफलीभूत हों, क्योंकि अगर किसी तस्वीर के हम टुकड़े टुकड़े कर के देखेंगे और नाक को देखें और कहें कि नाक खराब है, इसी तरह आंख और पैर आदि अंगों को अलग अलग देखें और कहें कि आंख खराब है, और पैर खराब है तो यह सही ढंग हमारा देखने का नहीं है। हम को तो पूरी तस्वीर देखना चाहिये और हमारी पूरी तस्वीर क्या है, वह तस्वीर मैं कहूंगा कि हमारी पंचवर्षीय योजना है और वह हमारे देश भारतवर्ष की आत्मा का स्वरूप है और यदि हम इस पंचवर्षीय योजना द्वारा अपने देश की आत्मा के स्वरूप को तय कर सकें, तो मैं आप को विश्वास दिलाना चाहता हूं कि हम भारतवर्ष को

[श्री घुलेकर]

उन्नति के शिखर तक पहुंचा देंगे । मेरा ऐसा विश्वास है कि यह पांच वर्ष की जो हम ने प्लानिंग की है, यह भारत वर्ष को बहुत दूर ले जायेगी । मैं एक छोटे क्लास का काम करने वाला होने के कारण रोज़ाना मज़दूरों, खेतिहर, लोगों, और देहातों में आता जाता हूं . . . . . .

Mr. Deputy-Speaker: I am afraid we are converting this into a second reading stage. I will not allow this kind of a general discussion requiring the Finance Minister to speak once again at length and answer all those points that have been raised. This discussion must be confined only to those points that have been passed in the second reading. Outside that no hon. Member ought to go. I thought this will not take time and that is why I allotted an hour.

श्री घुलेकर : मैं यह सब कह कर इस बात को सिद्ध करना चाहता हूं कि जब तक हम फाइनेंस बिल को उस की पूरी सूरत में न देखें हम फाइनेंस बिल को अच्छी तरह से नहीं समझ सकते । फाइनेंस बिल में जो कई व्यवस्थायें दी गई हैं उन से ज़ाहिर होता है कि यह जो बजट हम ने बनाया है, यह हमारा वैल्फेयर बजट, मंगलकारी बजट है । दो, तीन, बातें जो कि अमेंडमेंटस् में पेश की गई हैं उन के सम्बन्ध में कहना चाहता हूं कि जो इनकम-टैक्स में यह बात रक्खी गई है कि जो धन चैरिटेबुल सोसाइटीज़ को दिया जायेगा, उस के ऊपर टैक्स नहीं लगाया जायेगा, यह बहुत ही अच्छी बात है । दूसरी बात . . .

Mr. Deputy-Speaker: He has already taken fifteen minutes.

Shri Dhulekar: I will take only one more minute.

Mr. Deputy-Speaker: I am sorry if the hon. Member had no opportunity earlier. I cannot help it.

श्री घुलेकर: इन शब्दों के साथ मैं फाइनेंस बिल का समर्थन करता हूं ।

Shri Thanu Pillai (Tirunelveli): I congratulate the Finance Minister for his ability and firmness in getting the Budget passed, though I have got a lot of grievances from my part of the country. The other day my friends from the South raised the question about famine conditions and the hon. Minister was good enough to devote a few minutes for mentioning things about Madras. A very interesting episode was that hon. Members in the Madras Assembly have criticized the Centre for not having contributed enough, and they went to the extent of saying that the Centre gave Rs. two crores loan when for relieving the famine conditions in Rayalaseema they had to spend about Rs. ten crores. But our Finance Minister said that he had given Rs. 17 crores contribution in the course of two years. It is amazing why a responsible State Government should make such utterances on the floor of the State Legislature and they are being denied here. I would require some clarification on that.

Shri C. D. Deshmukh: It is quite easy. Rs. two crores, sale of securities for using in the Rayalaseema area; Rs. 17 crores towards the implementation of their Plan.

Shri Thanu Pillai: I would like to have a clarification on this point whether this Rs. 17 crores constituted the whole grant to the Madras State or for relief measures in connection with famine conditions.

Mr. Deputy-Speaker: He has just said that Rs. 17 crores are for implementation of the Plan and Rs. two crores for Rayalaseema famine relief.

Shri Thanu Pillai: But there it was criticised that the Centre first promised Rs. two crores loan and Rs. two crores grant and then they reversed their decision and the Madras Government had to sell their Government of India security bonds to the tune of about Rs. two crores. What we are interested is to see whether that is a fact or whether this is a fact; because we are all concerned, both in the State Government as well as in the Central Government. When the people in the area are given certain answers and certain opinions are being created. there is room for propaganda by the Opposition. I would like here to point out that there is lot of criticism in the South that the North is neglecting the South. To that extent, when we hear that criticism and this answer we are not able to make out things properly. Rs. 149 crores have been set apart in the Five Year Plan for the State, but there is no revelation of the apportionment of the Central contribution and the State expenditure. We would like to see all these things put on a proper level and the contribution from State to State clarified for the information of the public.

Then coming to the famine conditions, though they were graphically described by my friends, the Finance Minister said that he is not posted with full information. I do not know whether the Government of Madras has not given sufficient information in the manner in which it was described here, or whether the conditions have not been understood. I would request hon. Ministers from the Centre to go and visit the South, especially the districts of Madura, Ramnad and Tirunelveli and have first-hand information before they come to certain conclusions. The contributions that are being made by the Centre, when they go to the Provinces, are not distributed fairly and equitably in the various districts. If there is some maldistribution, that affects our relationship with the people at large. So in all these distributions, though the Centre might give full autonomy, I would like that a certain check is placed on these State Governments as to the distribution of this amount. In my district the District Collector placed a demand for Rs. 60 lakhs. Then it was reduced to Rs. 30 lakhs and the Madras Government was promising Rs. seven lakhs. Ultimately, before 31st March, my district got only Rs 5000. That is the condition. When people criticise. "What is this North domination and South submission" we are unable to answer the people. We cannot sit tight at home and say, "we are Members of Parliament. we do not care what happens to people". To that extent I would request the hon. Minister to educate the Members of Parliament to be able to answer the people and the criticism that is being levelled.

Not only that. In our part there is another presentation from the Government of Ceylon Under the Indian and Pakistani Citizenship Act all our people are being ejected. It is bad in effect. Not only that. They have passed a lawless law under which anybody, any Indian not possessing certain documents might be indicted as an illicit immigrant and the onus of proof is on the accused and not on the accuser. A lot of people are coming up to aggravate the famine condition in our district and in the Madura-Ramnad district also. To that extent also the famine condition has been aggravated and what little help is being given is not reaching our people adequately. I would submit that the Rs. 47 lakhs given for gruel centres is not what we want. We have got energy, enthusiasm and ability. What we want is the wherewithal to fulfil certain conditions. We have small rivers where anicuts can be built up. There is one river project, Manimuttar. The people of the district contributed Rs. 1,28,00,000 towards that project but that project has been slowed down last year for want of Finance. Even the money that has been contributed by the people had not been spent so far. If we ask them, they say "no finance" and they point the finger to the Centre. Our hon. Minister says "We cannot assist them for their deficit balances." If that is the attitude, what is the meaning of this integrated Five Year Plan? In the implementation of the Plan, if any one portion goes wrong and the Centre is not prepared to take responsibility, to whom will the people of that area look up? How are we to call this Plan as an integrated Plan? I would like an answer to that also.

There is disaffection amongst the staff from panchayats to Parliamentary Secretariat. A lot of things were said on the floor of this House about the loyalty of our officers. The other day a challenge was thrown that if the Government servants were asked to vote for the Government, the decision would go against them and to some extent that may be true. The planners have written very beautiful words.

> "The economic conditions of fixed income receivers of the middle and lower middle classes in particular during recent years have undoubtedly been trying. While considerations of seniority are important, given a satisfactory system, in certain cadres, there should be scope for promotion more rapid and more conspicuous than the normal rules provide for" and so on and so forth.

[Shri Thanu Pillai]

It is very good to write but what is the effect. There is disaffection caused by many shortcomings of a very simple nature which can be looked into and rectified by the Ministry easily. They say that a man who puts in honest work must be able to get rapid promotion but there are complaints that unqualified people are being confirmed and promoted whereas qualified persons are not able to get confirmation or promotion.

The middle class people working in the Central Secretariat have been clamouring for PTO concessions. One hon. Member mentioned about it and I want to know whether a reply would be given to this by the Finance Minister. This concession was given after taking into consideration the living conditions and the meagre salaries drawn by these Government servants. Conditions have not changed. The cost of living index has not come down. We are not able to pay adequate dearness allowance commensurate with the cost of living index. This concession was withdrawn for reasons of financial economy. The Central Government at the same time imposed on officers on a higher scale a voluntary cut. I understand that this voluntary cut had been restored but this concession has not yet been revived. Earned leave for these Government servants is meant for recouping their health and they are not able to utilise it for want of facilities.

Mr. Deputy-Speaker: The hon. Member should conclude now.

Shri Thanu Pillai: I would request the hon. Minister to consider this aspect. I also extend this request to the Railway Minister at least to give one-third of the concession.

Dr. N. B. Khare: This Bill is for three purposes, fleecing, hectoring or bullying and law and order and the whole show is managed by two powerful personalities, one belonging to the Indian Congress Service, and one belonging to the Indian Civil Service, one sitting and bullying and the other fleecing. I have deliberately used this word fleecing and the following figures will show to what extent the Indian public is being fleeced and what an enormous burden the Indian tax-payer has to bear.

The total expenditure in 1938-39 worked out on the basis of divided India was only Rs. 56 crores. In 1953-54 it is going to be Rs. 438·81 crores. That is, a rise of 800 per cent. in 15 years. You can imagine what a huge sum is extorted from a poor country like India and dissipated on military expenditure and visionary schemes, by an extravagant, wasteful and corrupt Government.

Shri T. T. Krishnamachari: What was the condition when you were a Minister?

Dr. N. B. Khare: Our military expenditure today has gone up to 400 per cent. higher than the revenue of 1939 without any adequate return.

The statement of the Finance Minister that there has been a marked improvement in our economic condition during the current year is simply amazing—this is Mr. Nehru's style. The chief reason for making this claim is the fall in wholesale prices. That fall was brought about by raising the bank rate to 3½ per cent. in November 1951, by the exhaustion of post-Korean boom, by large increase in world production of all commodities competing in the international markets and by the internal collapse of speculative commodity prices. But this fall has little bearing on domestic living costs. The real decisive test of improvement in the economic condition is not the fall in prices but the fall in the cost of living.

An Hon. Member: He is reading his speech.

Dr. N. B. Khare: These are all figures. I cannot keep these in memory.

Mr. Deputy-Speaker: The hon. Member should not look to his notes.

Dr. N. B. Khare: This living cost has been continuously rising in spite of all the anti-inflationary measures taken by the Government like heavy taxation and control of all kinds including even credit control. This can be verified from the statement No. 15 on page 147—how can I cram this. Sir? In the Reserve Bank of India's Report on Currency and Finance for the year 1951-52. The figures of the cost of living in Bombay as given there are as follows:

Base 1939	100
1949-50	291
1950-51	302
1951-52	314
1952-53	347 (9 months)

And there is every danger of this cost of living soaring higher and higher. Food subsidy will vanish in the current year and we shall have to import about three million tons of food grains at heavy costs and heavier freight costs. A large amount of money will be spent on the Five Year Plan which will create a further demand for more food and more consumer goods. Over and above this, Rs. 110 crores of created money will be forced into circulation which will hit hard the common man.

It is said that increased production, both agricultural and industrial, is an argument in favour of this alleged improvement of economic condition. But it should not be forgotten that agricultural production may increase in general without any increase in the essential cereals. Increased production in industries does not necessarily reduce the cost of living. People cannot eat cement or wear steel. The handloom industry is in a bad condition. The production of tea is disturbed by the closing of many tea gardens and the trend in sugar industry is uncertain. When one remembers that all these articles are the factors in reaching the indices of the cost of living, it may be bold to expect an improvement in the economy of the country, but it may not be wise. All manner of foreign visitors give good chits in favour of Indian conditions before departing from this country and Government has reaped rich harvests of these certificates from an endless number of foreigners, but these certificates cannot be a proper substitute for the harvest of wheat and rice. They cannot also bring a solatium to the army of unemployed. No one in this country has given any good chit to this Government. Only the foreigners do it. Even the white caps, some of them, have shown their restiveness on the floor of this House. There is discontent everywhere, among students, petty Government officials, school masters, *patwaris*, *bhumias*, and all manner of people. Under these conditions of the country, our Prime Minister is going to attend the Coronation of Queen Elizabeth II of England who is still our symbolic head. Our association with the Commonwealth may raise the international status of our popular Prime Minister; but it cannot do any good to this country or even to its prestige as an Independent Sovereign Republic. In actual fact, we are merely attached to the chariot wheel of the United Kingdom whose efforts are concentrated on the restoration of the international status of the pound sterling and in securing multiple convertibility for it.

Prof. D. C. Sharma (Hoshiarpur): Is the hon. Member only reading figures?

Mr. Deputy-Speaker: He will read only for ten minutes.

Dr. N. B. Khare: We are told that the Budget is tax-less. It is not taxless. Deficit financing is the worst kind of taxation. We are told that the middle classes will be helped by the concession in income-tax, by raising the limit of taxable income. How many are paying income-tax? Only seven lakhs in a population of 36 crores. How many are there in the lower income group? About four lakhs. It is all moonshine.

The focal point of this Budget is the Five Year Plan. Our Finance Minister is intent upon raising the money from any quarters by any means whatever to finance this Plan. But, Government themselves are not yet definite and they do not know their own mind about the volume of finances required and the methods by which they have to be raised. The Budget Speech of the Finance Minister is full of wishful thinking, pious hopes and palpable contradictions. The most glaring contradiction is about the total amount to be used for financing the Five Year Plan. Originally, it was given that Rs. 1493 crores would be raised from internal resources. Suddenly, we are told that the figure has been raised to Rs. 2069 crores. Has the country got suddenly richer by Rs. 600 crores? I cannot imagine. It is a most strange contradiction. The second contradiction consists in the swift changes about the need of foreign aid. In 1951, we were told by the Planning Commission that without Rs. 300 crores of foreign aid, no higher target could be achieved. In December 1952, foreign aid was pulled down from its high pedestal. In February 1953, it has again been raised to its high pedestal. No reason is given for these somersaults.

The third contradiction which is most confusing is the importance given to the price levels by the Finance Minister. All these five years, the Finance Minister told us that the one engrossing preoccupation of the Government has been to fight inflation. They said it was a war on inflation. In spite of all the measures of the Government, prices are still rocketing. It has been fought for five and a half years; but still the price level has gone up. Yet, our Finance Minister has suddenly forgotten all that his own Government has said all these years and has come forward describing that the inflationary trend had been brought under control and that the

[Dr. N. B. Khare]

climate is now favourable for high cost economy. This means deficit financing. I wonder if the members of the Planning Commission were a party to all these shiftings, contradictions and vagaries. I think they are not, perhaps. I do not know their inside working. But, I think, they have been overshadowed by the firm attitude and blandishments of these two powerful mighty men and they have yielded. One of them has surrendered completely. It appears that they were appointed not to question, but to co-operate. They have performed their task very well and I congratulate them.

Now, I come to hectoring. Every one knows that in the Kashmir question, Government have bungled. Even Congress Press has now begun to say so. When we say so, we are called traitors, communalists and what not. Law and order is maintained in such a manner that we are prevented from speaking on the subject. Any party, even the Communists who speak in favour of the Government on this are allowed freely. The other day, the Prime Minister made a speech in Delhi. He abused us to his heart's content. I challenge him. Let him have a joint meeting; he may explain his Kashmir policy and any one of us will explain our Kashmir policy and let us see for whom the public votes. His policy is not secular. I am a secular man. Secular means, no discrimination against any creed or community, or in favour of any creed or community. I am quite agreeable to that. But, every action of Government, including Kashmir, is done in favour of one particular community only. Therefore, the policy of the Government is not secular, but "Shekhular".

How is law and order maintained? In this way. Innocent people are belaboured and heads broken. This is a very bad thing and dangerous thing. (*Interruptions*). I will not praise but curse this Government for this kind of maintenance of law and order.

Pandit K. C. Sharma (Meerut Distt.—South): Is it in order, Sir, to bring such questionable things to the House?

Mr. Deputy-Speaker: There is no question of exhibiting anything before the House. It would not form part of the record.

श्री पी० एन० राजभोज : हमारे देशमुख साहब बड़े अर्थशास्त्री हैं । रिज़र्व बैंक के गवर्नर की हैसियत से आप ने बहुत सारी करेंसी तैयार की है । लेकिन देश की विकास योजना के लिये और देश का कारोबार चलाने के लिये पैसे की जो जरूरत है उस को मिटाने का रास्ता आप नहीं देख सकते हैं । यह बड़े दुःख की बात है सच बात यह है कि देशमुख साहब ने अपनी आंखें एक तरफ से बन्द कर ली हैं । इस देश के सरमायदारों, जमींदारों और राजा महाराजाओं के पास जो पैसा इकट्ठा हो गया है उस की तरफ आप देखते नहीं हैं और केवल गरीबों के ऊपर टैक्स लगा कर आप देश का कारोबार चलाना चाहते हैं ।

एक तरफ हमारी बम्बई सरकार शराब बन्दी कर रही है और इस प्रयोग में १२ करोड़ रुपया फिज़ूल गवां रही है और दूसरी तरफ लोग भूखे मर रहे हैं । हमारे अर्थ मंत्री बम्बई सरकार को क्यों नहीं डांटते । असल बात यह है कि सारे देश का ध्यान रखके योजना कायम करने की जरूरत है और वह योजना ऐसी होनी चाहिये जिस से जल्दी से जल्दी फायदा पहुंच सके ।

देखिये हमारे महाराष्ट्र में सब से अधिक आवश्यकता फैमीन का सामना करने की है । वहां क्षरण की योजना चाहिये । लेकिन अगर दस साल बाद क्षरण की योजना पूरी हो तो उस से क्या फायदा हो सकता है । लोग तो आज भूखे हैं, उनको आधार मिलना चाहिये । इसी लिये ऐसी इर्रीगेशन की योजना हाथ में लेनी चाहिये जिस से थोड़े ही दिन में किसानों की खेती सुधर जाये । आज जरूरत है छोटी छोटी योजनाओं की जैसे कुंवें खोदना, छोटे क्षरण बांधना, तालाब तैयार करना । इस काम में करोड़ों रुपये भी नहीं लगेंगे और लोगों के जीवन में जल्दी सुधार भी हो जायेगा । लेकिन हमारी सरकार तो बड़ी बातें करती है और उस को तो बड़ी योजनायें दिखाना अच्छा

लगता है । छोटी छोटी योजनाओं में उस का दिल नहीं लगता ।

सवाल तो पालिसी का है । अछूतों के लिये सरकार ने कुछ पैसा मंजूर किया है । लेकिन इस से काम नहीं होगा । अछूतों के लिये ही नहीं बल्कि सारे लोगों के लिये मुफ्त में शिक्षण होना चाहिये । अछूतों को जमीन मिलनी चाहिये । जब तक उन की आर्थिक हालत नहीं सुधरती तब तक उन का भला नहीं हो सकता ।

मैं इसके लिये एक अपील करना चाहता हूं कि जो पंच वर्षीय योजना है उस में सब लोगों की सहायता होनी चाहिये । आप हम लोगों के लिये इस में कोई अच्छी योजना बनाएं, आर्थिक मामलों के बारे में और ऐजूकेशन के बारे में । थोड़ा थोड़ा स्कालरशिप तो आप दे रहे हैं, उस को मैं मानता हूं, क्योंकि जो कुछ हो रहा है उस के लिये तो बोलना चाहिये । लेकिन कम से कम कम्पलसरी ऐजूकेशन देश में नहीं होती है तब तक हमारा ग़रीब देश कैसे आगे बढ़ेगा । इसलिये कम से कम हमारी परिस्थिति सुधारने के लिये, कम से कम अछूतों के लिये तो आप कुछ करो । दूसरे ऐजूकेशन का सब से बड़ा सवाल है । तीसरी बात यह है कि हम लोगों के लिये देहातों में लीगल एड मिलनी चाहिये । हम ग़रीब लोग जाते हैं तो उन के पास पैसा नहीं होता, कैसे वकील कर सकते हैं । खराब परिस्थिति है ।

चौथी बात यह है कि हमारे महार लोग जो गांवों में काम करने वाले हैं उन की हालत तो कुत्ते की जैसी खराब है । उन को तनख्वाह दो दो तीन तीन रुपया ऐवरेज में पड़ती है । तो सेंट्रल गवर्नमेंट बम्बई गवर्नमेंट को दबा सकती है, बोल सकती है, कि देश की हालत को सुधारने के लिये कुछ न कुछ करना चाहिये । एक बात मैं यह कहना चाहता हूं कि जो ऊंचे आफ़िसर लोग हैं वह हमारे लिये अच्छी तरह से ध्यान नहीं देते—वे बड़े सख्त रहते हैं जैसे विलायत से आ गये हों । मैं समझता हूं कि आई० सी० एस० आफिसर्स जो हैं उन में नैशनैलिटी आनी चाहिये । उन को समझ लेना चाहिये कि हमारा देश स्वतन्त्र हो गया है । उन को अपनी पुरानी आदत सुधारनी चाहिये और अच्छी तरह से काम करना चाहिये । इस के लिये उन को स्ट्रिकट इंस्ट्रक्शनस देने चाहिये ।

मेरी एक खास विनती और है और वह यह है कि एक सैपरेट मिनिस्ट्री अछूतों के लिये हो जाय तो हमारे लिये अच्छा हो जायगा, क्योंकि जैसे रिफ्यूजीज़ के लिए अलग रिफ्यूजी मिनिस्ट्री बनी है तो रिफ्यूजी काम के लिये कितना खर्च हो रहा है । उन के लिये तो बहुत खर्चा हो रहा है । उस दिन फायनैंस मिनिस्टर ने प्रश्न के जवाब में कहा कि रिफ्यूजीज़ के लिये हम कितनी सहूलियतें दे रहे हैं । लेकिन सच्चे रिफ्यूजी तो हम लोग हैं, सच्चे दरिद्र तो हम लोग हैं । हमारे लिये करोड़ों रुपये खर्च नहीं होते हैं तब तक आप की पंच वर्षीय योजना सफल नहीं होगी, यह देखने में ही ठीक रहेगी ।

एक बात मैं पंडित नेहरूजी से भी कहना चाहता हूं कि उन को अपना दिमाग शान्त रखना चाहिये । वह हमारे लिये कभी कुछ नहीं बोलते । हम कुछ कहते हैं तो वह कहते हैं कि यह जातिवाद है । यह जाति का झगड़ा नहीं है, यह मैं पंडित जी को याद दिलाना चाहता हूं ।

Shri M. S. Gurupadaswamy: The Finance Minister seems to be dangerously complacent regarding his Budget proposals. He seems to think that the policy that he is pursuing today is the

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best in the circumstances. I beg to differ from that point of view.

A budget, if it is to be called a good budget or a proper budget, must fulfil two conditions. The first condition is: the Finance Ministry or the budget should take into consideration the total outlay available in the country—both public and private outlay. The second condition is: the budget should take into consideration whether that total outlay is adequate to meet the demands of full employment. In other words, the datum line for a budgetary policy is manpower. The entire manpower that is available in the country should be properly and gainfully employed. The budget should be prepared to realise this end. Then only it can be called an economic budget. From this point of view I say that the budgetary policy enunciated by the Finance Minister is not progressive; it cannot be called the budget of the Millions, the budget of the common man.

Today, the unemployment figure is rising, and it is assuming enormous proportions. It is almost bordering on a crisis. I want to know from the hon. Finance Minister what concrete steps he has taken to meet this crisis. If he has followed a correct budgetary policy, then he should have assessed the entire outlay available in the country, both private and public. But, here he has taken only one outlay. That is, he has taken into consideration the public outlay only. He has not taken into consideration the private outlay that is available. This way the Budget has failed, and the Finance Minister has missed his bus.

Everywhere, both in the Government factories and departments as well as in private industries, retrenchment is going on, and no uniform policy is followed in the matter of retrenchment. To make my point very clear, I may draw the attention of the Finance Minister and also of the Minister of Commerce and Industry to a very late case. In the Textile Commissioner's Office, Bombay, recently about 600 people are threatened with retrenchment. Already, nearly 300 people have been discharged from service. While doing so, the method adopted is very curious. People who have put in more than six years or seven years of service but who are non-graduates have been discharged, whereas people who have joined later, mainly because they are graduates, have been retained. The principle of seniority is not taken into consideration at all. Further, I want to bring home to his mind that the policy of retrenchment is not uniform even in Government departments. Take the case of the Railways. There, if an employee serves more than one year, he will have a permanent status. Even if he is discharged from service, he will be given all the privileges and benefits of a permanent employee. In the case of private concerns also, there are rules that employees who have put in more than one year of service cannot be turned out as temporary employees. Even if they are discharged from service, they will get all the benefits of permanent employees. But in the case of employees of Textile Commissioner's Office, different procedure is followed. This policy of discrimination is very irrational and it has hurt many hundreds of employees. So I want the hon Minister to clear his policy with regard to retrenchment.

Many hon. Members have referred to the development of industries and production and the like, but they have not referred to the question of the development of our mineral resources. I want to refer to that question. Today, our country is suffering from lack of policy on the part of the Government with regard to the exploitation and utilisation of mineral resources. There is no clear programme. There is no proper plan. For example, manganese ore is exploited, but it is exported. It is a very strategic mineral. It can be used for alloy steel. Again chromite is available in large quantities in Mysore. That is not exploited. That also is a very important material that can be used for the manufacture of alloy steel. That is not done. I have no time to refer to individual minerals, but this Government is not exploiting the mineral resources of India properly, nor using them fruitfully. Take the example of coal. Coking coal is now used for heating purposes. That can be used for a more important purpose. The coking coal reserve is very limited in our country. It may be exhausted within 50 years, and there is no plan on the part of the Government to preserve the use of coking coal for a more important purpose.

Again, there are many gold fields all over India. They have not been surveyed and exploited. The Kolar Gold Fields have been exploited by a foreign company, and the return that we get is very low. No attempt has been made either by the State Government or by the Government of India to nationalise it. And only place where the gold ore is available in large quantities has been given over to foreigners. Again there are......

Mr. Deputy-Speaker: Instances may be multiplied, but this is not the occasion. I shall now call upon the hon. Finance Minister.

Shri M. S. Gurupadaswamy: I shall conclude now by appealing to the hon. Minister to set up a Mineral Development Corporation to look into the whole matter and draw out a plan for exploiting and using all the minerals in a proper way.

Shri C. D. Deshmukh: This debate has raised more or less the same ground which was covered by the general discussion as well as the second reading debate, and I shall not go over some of the points with which I dealt then.

As regards compensation, I shall not complicate an already complicated situation by adding to what I have said then. I take note of what the hon. Member said, in regard to his version of this affair.

Shri Gidwani: You can refer to the minutes of the proceedings.

Shri C. D. Deshmukh: With regard to Shri Basu's observations, I think he is taking a somewhat jaundiced view of the situation in regard to employment. I do not quite know what he meant when he referred to the jute industry. All I said was that one has to choose between two horns of a dilemma, so to say. If we wanted to modernise the jute industry and be in a position to pass on something more to the producer of raw jute, then it involves the throwing out of employment of a large number of workers. That is not a problem which is facing us today, but it does in fact prevent us from taking any more effective action in regard to the minimum price of jute.

Then in regard to tea, I think I shall have occasion to refer to the fact that many of the tea gardens have already reopened, as a result of the gradual improvement in the conditions, that has taken place, partly owing to factors which were not beyond our control, and partly, we flatter ourselves, owing to action that we ourselves have taken or is contemplated.

In regard to the general question of employment, which has been referred to not only by Shri Basu, but by some other hon. Members, although the matter is very important, I do not really see what one can do except to increase the pace of our investment expenditure, and that we are doing so is proved by the fact that we have exposed ourselves to the criticism that we are now undertaking measures in regard to deficit finance, which threaten the standard of living of the common man. Therefore, we are between two fires. If we have recourse to deficit finance, then we are told that we are threatening the standard of living of the common man. If we do not have recourse to deficit finance, then of course, the unemployment problem remains a much bigger one than it would be with the investment expenditure. I myself do not consider that there is any other solution to this problem except promoting the economic development and accelerating the economic development of the country.

It is quite possible to quote figures from time to time showing how unemployment is fluctuating; maybe that it is increasing, maybe that there is a great deal of frictional unemployment, but I am persuaded that if one has formed a correct judgement in regard to the pace of investment expenditure, then one must be in a position gradually to bring the problem of unemployment under control.

There was some reference to the number of people retrenched in various establishments, as for instance, in the Textile Commissioner's Office. Now the actual notice of retrenchment has been given, I understand, to only 130 people, but I do not wish to join issue with the hon. Member as to the number of people. The point is that you cannot abolish or modify controls with the disappearance of scarcities, in these offices without some retrenchment in the office which was established for the purposes of exercising or reinforcing or enforcing control.

Shri M. S. Gurupadaswamy: What about the assurance given by the hon. Minister of Industries?

Shri C. D. Deshmukh: Efforts are always made not only in this establishment, but in all establishments, to absorb the personnel which is retrenched, in some other Government establishment; and there are rules laid down to this end by the Home Ministry. For instance, although all are borne now on the employment registers, there are rules that their rights for employment have to be considered first; they are to be given preference,

[Shri C. D. Deshmukh]

and also from time to time, arrangements are made in order to find out whether people thrown out of employment in one zone cannot be employed in another zone. In other words, all practical means that could be taken to temper the wind, so to speak, to these shorn lambs, are adopted. But there will always be, I fear, a certain amount of residual unemployment arising out of retrenchment, but if we are going to have additional resources for investment, I do not see how we can dispense with either retrenchment or rationalisation. Surely, if the same amount of money as is saved by retrenchment is employed in investment, then it is bound to yield a larger return, and that must be to the benefit of the country.

Then, Shri Basu raised the question of the additional advantage given to subsidiary companies. The point I wished to make was that as a whole on foreign establishments, we do not expect that there will either be an advantage or a disadvantage, that is to say, the rate of tax on branches has been increased, and as a counterweight, there has been some reduction made in the taxation of subsidiary companies.

As a matter of fact, there is a second transire of increase, which perhaps we shall have to adopt so far as the branch companies are concerned, before the disparity to which I made a reference is more or less removed, and therefore there may be further proposals next year which may affect only the branches. Then we shall find that we have succeeded in removing that disparity. Therefore, it is not a unilateral advantage which has been conferred on foreign investments.

In regard to the various other issues which are of a very general nature, which have been raised by Shri Basu, replies have been given from time to time, and I do not think it is true to say that there is any difficulty in the transmission of "know-how" from foreign investments. The process has been going on very continuously, and so far as new investments are concerned, certainly, very great care is taken to ensure that our own people are properly trained, and our capital made capable of holding the highest voices. Actually if we look back over the last five years, while new investment has been coming in driblets, there has been on the whole more disinvestment than investment. And I believe that in many trading concerns, now, there is no further scope for expansion at all; in other words, the capital issue control authorities do not now agree to any foreign investment which has the purpose merely of undertaking some trading transactions in this country. So, I submit that the situation is not as bad as was painted by Shri Basu.

5 P.M.

Then there was one proposal which he made which, I think, would not be in the interests of the country, that is to say, use of force in order to ensure that part at least of the yield on foreign investments is compulsorily ploughed in. I do not think that in a matter like this force brings in the greatest dividend. In other words, nobody knocks on an open door, and it is a policy of open door that we have been practising. We have known from experience that if there is no risk threatened to an investment, then people are content to plough in the current yields on their investment in the enterprises in the country. If, on the other hand, there is any danger of any bar being placed on remittances or dividend or capital, then there is the greater possibility of no investment coming in at all.

Shri M. S. Gurupadaswamy: Here also China's case may be repeated.

Shri C. D. Deshmukh: In China, as far as I can see extra-legal means were employed, and that is not the policy that we have been following. We have undertaken to treat everyone with fairness and equity and we have given an assurance that whoever brings in capital will be allowed to take it back whenever he wants to take it back. Whoever reaps any dividends here will be allowed to remit them to his country. I have never been able to understand what objection there is to allowing people to take out the return on the capital which they have invested. It is always possible to add up figures and say 'This is 30 crores or 40 crores or 50 crores'. But we are hiring the money, and if we are hiring the money I do not see why we should not allow, after income-tax has been paid, the residue to be sent out to the parent country.

Shri Nambiar: That is train (*Interruption*).

Shri C. D. Deshmukh: I have not got very much time. So I do not think I should take notice of these interruptions.

Then there was the extraordinary complaint made by the hon. Member who has not waited for an answer. He said something—'fleecing and hectoring'. If it is fleece, I think it is the golden fleece which brings good fortune to the country. He has picked out all the factors which, according to him, betoken that the country is in a very parlous condition indeed. Well, if that brings solace to his soul, he is welcome to live in that illusion. I am quite convinced that there has been a very distinct improvement in the economic conditions of the country. And even in regard to the figures which he quoted, if he will only take the trouble to look at the latest figures, he will find that even the cost of living index has fallen in almost every centre except Bombay. Bombay is a very special case because they used to get a very large subsidy on their cereal consumption as one of the biggest industrial cities. With the removal of that subsidy last year, their cost of living index went up. But with the exception of the State of Bombay, as I said, where the food index for the year rose by about ten per cent. the cost of living indices have generally fallen all over the country in varying degrees. I shall not take the time of the House by quoting the actual figures.

Mr. Deputy-Speaker: The hon. Minister may take a few more minutes, if he wants.

Shri C. D. Deshmukh: I have sheaves of figures that prove this point. I am certain that that point cannot be disproved.

[SHRIMATI AMMU SWAMINADHAN *in the Chair.*]

I do not think there are any other points which I should answer at this stage and, therefore, I shall now content myself with the observations I have already made and commend my motion.

Shri K. K. Basu: May I ask a question?

Mr. Chairman: No question now.

Shri K. K. Basu: One point must be answered. The other day the Finance Minister said he was considering the possibility of seeing that personnel retrenched in one department of the Government were absorbed in another. I referred to cases of retrenchment in the Disposals Department when there was recruitment in the Income-tax and other departments of equally qualified persons.

Shri C. D. Deshmukh: I shall be very pleased to investigate all these cases if the hon. Member will send me the details. It is very difficult to deal with a matter like that in a general way.

Mr. Chairman: The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

CENTRAL EXCISES AND SALT (AMENDMENT) BILL.

Clause 2.—(*Amendment of First Schedule etc.*)

Shri Nambiar (Mayuram): I have carefully gone through the Bill and I find that some relief is being given to the tea garden owners. It is welcome at this stage, but at the same time, I have my own fears whether this relief will actually go to the workers who are retrenched. On that point no specific information is forthcoming yet. According to my information and the information given by the hon. Minister of Commerce and Industry, recently about 117 tea gardens closed down and about 60,000 men were rendered unemployed. Out of these 117, according to the information supplied by them, only 23 gardens are reopened. The remaining gardens are still closed. Further, out of the 60,000 men only 20,000 are re-employed and 40,000 are still unemployed. We do not know whether even in the gardens opened they have work all the seven days or only for four days. My information goes to show that only four days' work is there in many gardens. Apart from that, the amenities granted to the tea garden employees, namely, supply of foodstuffs at subsidised rates etc. have not been restored yet. Formerly they used to get foodstuffs at the rate of Rs. eight or Rs. nine a maund whereas now it has gone up to Rs. 17-8. Previously, in July last, when the same issue was raised here, both the hon. the Minister of Commerce and Industry and the Minister of Finance promised us that they would try to restore all the amenities and they would do their best. But what happened was that the Assam Government as well as the West Bengal Government were helping practically, rather than opposing the management in this

[Shri Nambiar]

case. They helped to increase the price to Rs. 17-8 from Rs. eight or nine. Therefore, the condition in the tea gardens has not come to normal yet. If this help were rendered previously, at the time of the tripartite conference in December last, the thing would have been different. There was an agreed resolution in that period, namely, that if the cess collected could be repaid then retrenchment would have been stopped and closure would have been avoided. They represented likewise, but the Government then refused to accept it. They also said in that agreed resolution that an Inquiry Committee could be appointed and if there was profit shown in a particular garden, that money which was repaid could be used for labour welfare. Even that was not considered. Now the tea garden owners have shifted the entire burden of the crisis to the workers and they have kept their profit intact. What happens? This help goes to them. After the whole burden has been shifted on the workers, now there is another attempt to shift the burden on the consumers too. I welcome the Bill provided the Government would assure us that by this move, there would be restoration to the workers of the amenities they enjoyed, reopening of all the closed gardens and there would be no attack on the consumer in the sense that the duty which they say would be collected from the middlemen—the blenders and packers—would naturally be passed on by these people to the consumer and he would have to pay. The tea garden owners can be given relief, I agree. But the middlemen will pass on the burden to the consumer. Therefore, there is a danger of increase in price and the danger of attack on the consumer on the one side, and on the other, there is no assurance forthcoming that the amenities would be restored.

Therefore, if the Government would give us an assurance that these things would be done and the money that is saved out of this would be utilised as suggested, that would improve the situation, much of the crisis would be averted and this measure would serve its purpose. Otherwise, on the other hand, it will try to allow the tea garden owners to recoup their position. At the same time, the workers will have to be where they are today. Therefore, this is my criticism, which I hope the Government will consider and give an assurance on these points. Otherwise, the Bill will not serve its purpose and we will have to oppose the Bill.

Shri Bansal (Jhajjar-Rewari): I welcome this Bill as indicative of the Government's desire to help this industry which has been undergoing serious crisis for the past several months. But, I have some doubts on one or two points. The hon. Finance Minister, while moving the Bill had said that this change in the rates of duty would not affect the revenue of Government. That is so if the ratio of tea which goes in the market unpacked and packed is in the proportion of one-third and two-thirds. But. I was reading *Capital* of the 16th, the latest issue, where it is pointed out that the quantity which goes to the market unpacked is 40 per cent. If that is so—I do not know whether it is correct—if this figure is correct, then, according to my calculation, Government's revenue from this source will suffer by about seven or eight per cent.

I am not very much afraid about this reduction provided this reduction is going to help the tea gardens. But, on that point too, I have my own doubts and they are substantiated by the report of the Official Team on Tea Industry which was appointed by Government some time back. While discussing this question of reducing or abolishing excise duty, in paragraph 94, they went into it in great detail. I will not take the time of the House but confine myself to one or two sentences from that report. It is said there:

> "Even on the most favourable assumption that retail prices remain unchanged, the middlemen and the growers must compete for a share in the reduction. Being weak holders, growers will not gain more than a small proportion of the reduction."

Then again the report said, 'in a weak market, the latter will not be able to obtain any large share of the reduction'.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The market is now strong.

Shri Bansal: Right, Sir. I am not opposing the Bill as I said in the very beginning. I am bringing these considerations to your notice so that you may keep a watch over the situation as it develops.

Then, the second point is that this change will no doubt increase the offtake in the market of unpacked tea.

Whether this is going to be to the good of the industry as a whole, I have my own serious doubts. There again, I have ample support from the report of the *Ad Hoc* Committee on Tea which was appointed in 1950. They deal with this problem of blending and packing on pages 84 and 85. Again and again it is mentioned that it is absolutely necessary in the interest of keeping the quality of tea and better marketing that proper packing is done. Inasmuch as this reduction of duty on tea will accrue to the tea going to the market in the unpacked form, this will, in my opinion, affect the quality of tea, and, therefore, ultimately the industry. I would, therefore, request the hon. Commerce and Finance Ministers to kindly keep a watch over the developments that take place both in this industry and in the marketing of this product, and, if they find that this method is not helping the growers, but is, on the other hand, affecting the quality of tea, then, I am sure they will revise their policy and take some other steps more suitable to help the growers.

Shri H. N. Shastri (Kanpur Distt.—Central): If the purpose which has actuated the hon. Minister to bring forward this measure succeeds, no doubt, the House will whole-heartedly support this measure. But, I have only one or two comments to make in this connection.

I am told that the industry has for some years been continuously getting relief in the form of subsidies or in other forms, from the Government, or at the cost of labour or at the cost of the consumers. But the main purpose of giving relief either to the consumer or to labour has not materialised so far. Let us briefly judge the position as it stands. In 1952, the minimum wage was fixed for tea labour. Immediately after the fixation, the daily compensation enjoyed by workers in respect of cereals was abolished arbitrarily and in the teeth of vehement opposition from labour. That resulted in a daily saving of about Rs. 14,000 to the industry in the province of Assam alone.

Now, let us come to the second point. The House may be aware that grain concessions were discontinued some time back. Now, having made a study of the situation arising from the discontinuation of these concessions, I have reached the following conclusions. Labour has lost and consequently, the industry has been benefited in the following manner. For conversion, Rs 19,163; for withdrawal of dependent subsidy for unavoidable absenteeism, Rs. 34,940 and for withdrawing workers subsidy for absenteeism, Rs. 116,800. The total comes to Rs. 170,903. This is the daily loss to labour and consequent benefit to the industry. Now, the final benefit that is likely to accrue to the industry, as a result of the passage of this Bill, is a matter, which I have not had time to examine very closely myself. Therefore, subject to correction, I am going to make this statement. It is my own assumption. I am of the view, and my conclusion is, that as a result of the passage of this Bill, the industry, on an all-India basis, would gain or would be benefited to the tune of about Rs. seven crores annually. I have come to this conclusion on the basis of the production figure in 1951, which was 622 million lbs. As I said, I am open to correction but that is my guess.

Now, as I said earlier, I do not grudge the benefit that the Finance Minister proposes to give to the industry, provided that it results in the objects that have been stated in the objects of the Bill. I would like the hon. Minister to give a categorical assurance in regard to the following points, as to whether as a result of this subsidy that he is going to give, employment to the four million workers who are still unemployed in the tea industry will be assured?

Shri T. T. Krishnamachari: Four million?

Shri H. N. Shastri: I beg your pardon: forty thousand.

The second question is how far it is going to result in the restoration of the wage cuts that took place recently by the discontinuation of the grain concessions to the tea workers. Thirdly, as has been pointed out by a Member opposite, there is still under-employment in the tea industry and many of the economic concerns themselves are opening only for three days or four days in a week. How far is this situation going to be improved? Finally, how far is it going to result in benefits to the consumers in the form of reduced price of tea? These are some of the points on which naturally the House would expect some enlightenment from the hon. Minister.

Shri R. K. Chaudhuary (Gauhuati): It is a great pleasure to be able to address you after a very, very long time. The subject on which I am going to speak is equal-

[Shri R. K. Chaudhury]

ly pleasant. I was somewhat adversely struck by the discordant note raised by my hon. friend. Anybody who is interested in the tea labour in Assam should have welcomed this proposal. I cannot appreciate the reasons for this discordant note, although I can understand it. There is a vast multitude of labourers who have been unemployed for some time, but a large number of them have already been able to get to work again in the tea estates. This is due to the commendable efforts which the Government have made in this behalf. They have enabled the tea estates, particularly Indian ones, to stand on their own legs. The guarantee which the Government gave to the banks, the persuasion which they used—here I am referring to the State Government —with the labourers to join the estates again at the normal price of the grains; and lastly, this particular measure for which the Indian tea estates clamoured—all these are big steps they have taken. The tea estates wanted that the entire excise may be collected from the blenders and packers and not from themselves. This has been, as a matter of fact, conceded by Government by this Bill and this has enabled the tea estates to open their estates in many places where they had been closed. It is only on paper that the tea labourers are expected to buy paddy at Rs. 17 per maund. I have ascertained recently during my tour that this has not come into operation yet. The tea labourers are still getting their grains at the old concessional rates.

Shri Nambiar: Government does not say so.

Shri R. K. Chaudhury: I have asked several estates. They have not dared to introduce the new scheme. It is only on paper and they have not introduced it. That is because it would mean that many labourers would not come for work.

I welcome this measure. I am not a tea estate proprietor, nor do I hold a single share. But I welcome this measure in the interests of the labourers. Unemployment among tea garden labourers would be a menace to our country. Therefore, it is in the interests of the Government to help the tea estates to re-employ their labourers. To some extent, they have succeeded, and the disappointment among my hon. friends is there, because they are not getting a large number of people to join the processions and other agitations. So, the disappointment is there on that ground. As I said, I understand it, though I do not appreciate it. After all, we must consider our stomach more than these colourful processions in red.

One thing I wish to bring to the notice of the Government is this. How long are we going to depend on the foreign market? There have been several competitors in the market Those competitors are taking very bold steps. Whereas we have only deferred the payment of the excise, in several countries like Indonesia, Java, Ceylon and Pakistan they have absolutely suspended the payment of the excise. We have not done so, and so the competition will be much stronger so far as foreign markets are concerned In India even today there are many people who do not take tea. My friends from South India prefer coffee to tea. They would not touch tea. My friends from North India prefer *lassi* to tea. In Bombay also, I do not know whether tea is popular. (*Shri P. N. Rajabhoj*: We take a lot of tea in Bombay.) Well, that is a very commendable spirit. Government should do something to expand the Indian market itself. It can be done in various ways. One way is that a certain quantity of tea may be purchased by Government and distributed through various distributors appointed in different parts of India. We produce petrol in Assam, but we have to pay more price for petrol in Assam than we have to pay here in Delhi. This is one of the mysteries which I have not been able to understand for the last thirty years of my life. In Digboi, we produce petrol, but in Assam we have to pay Rs. three per gallon, whereas in Delhi we pay only Rs. 2-11-0. Similarly, so far as tea is concerned, most of us get only dust tea in India. Good tea is exported to foreign countries. In foreign countries, the ordinary consumer gets his tea much cheaper than we get it in India. What is the reason for it? Why can you not do something to remove this disparity? The tea market will be very largely expanded if we can give good quality tea to consumers in this country. A certain quantity of good quality tea should be purchased by Government and Government should sell it. It should see that the price is not very excessive. We do not get tea now at anything less than Rs. three per lb. which is very excessive. These are the two points I would like Government to consider.

Again I congratulate the Government for on great achievement, namely, enabling the tea industry to survive the very bad and dark days through which it had been passing.

Shri S. C. Deb (Cachar-Lushai Hills): I congratulate the Government for their special attention to the tea industry. I also welcome this measure. I share the sentiments of my hon. friend Shri H. N. Shastri. I have also some doubts as to whether this measure will not affect our consumers. Our internal market for tea is not negligible. We have waste tea in the market. That should be controlled. If good quality tea is placed in the market, and waste tea is controlled by some means, consumers will be benefited.

Today, one of the Members asked the question about research in tea. That technical thing is done by the I.T.A. in Assam. There is the Toclai Institute. They have done that experiment. I ask the Government to take up that matter so that we may have good quality tea, which, our hon. Minister often points out, has markets outside. If good quality tea is required, then the technical research should be undertaken by Government so that we can have good quality. And production as well as cultivation will be much improved in that way. I would ask our hon. Minister kindly to consider this matter and try to do something in that respect.

Another thing and that is if this measure will in any way benefit our labourers. If this thing be cleared it will go a good way for satisfying the labourers as well.

Mr. Chairman: May I know how many minutes the hon. Minister will take so that we can have some time limit?

The Minister of Finance (Shri C. D. Deshmukh): I shall not take more than ten or fifteen minutes.

Shri Barman (North Bengal—Reserved—Sch. Castes): I do not rise to make any complaint about this Bill. Rather I welcome it whole-heartedly. But one or two points I would like to mention to the hon. Minister.

First of all I do not like the very idea of encouraging tea in a loose condition. Tea is known to be a very sensitive product. Those who use it and those who know about it say that if loose tea be kept side by side with some bad odour then it absorbs that odour. This being the case, the selling of loose tea is rather dangerous. In the market we see loose tea being sold, with dust and other extraneous matter mixed. So from the health point of view it is not a good thing to encourage the sale of loose tea.

What I apprehend is this. I come from a district which perhaps grows about one-fifth of the tea grown in the whole of India. When we speak of West Bengal it is practically my district that grows that tea, and it is practically a tea economy district. It is said that from the betelnut seller to the multimillionaire they are all interested in some manner or other with tea. So I know something about it, in what condition this tea is prepared and how it is sold. So far as my experience goes it is only a very limited quantity of tea that comes out of the factory in a loose condition. Most of the tea, or rather 90 per cent. of the tea that is produced in a factory has to be sent to the Calcutta warehouse where it is auctioned. Those who know the trade also know that not all the tea that is lifted from the warehouse is exported. About one-third of it is taken out of the warehouse for internal consumption. I can show it from authoritative sources like Cooks & Sons and other brokers and prove it. That is the present condition. When tea is not sold for the export market, it is taken out and some of it is blended together by blenders and the other is sold in a loose condition in tin pots in ordinary shops. Only a very small quantity of tea actually comes out of the garden for ordinary open sale. I apprehend that once the duty is reduced to one anna most of the tea that is meant for internal consumption or which has no chance of having a market in the warehouse auction will be passed on in a loose condition. After taking it out there will be some sort of packing and that will be sold as packed tea. It is not possible for the administration to tax this tea or levy any duty on it, because when it goes out of the garden it will be sold by ordinary packers, they are not "blenders". That is one point.

Another thing I want to know from the hon. Minister is this. I think he should ascertain it at least from the Central Tea Board whether this definition of tea is going to benefit the growers or the tea industry as the hon. Minister intends. Because I find that there are two broad divisions in the definition: one is package tea and the other is tea not otherwise specified. It is very clear that the tea not otherwise specified is loose tea. So far as

[Shri Barman]

package tea is concerned, it is defined as tea packed in any kind of container. If that be so I think it is such a broad definition that it can include anything. All the tea that will have to be carried from the garden or out of the factory to the market will have to be packed in some way or other. Either it may be the approved box in which tea is packed, or it may be sacks or something of a kind of container which will have to be used in order to take it out of the garden. If that broad definition applies, then I apprehend that the benefit which the hon. Minister wants to give to the gardens will not be actually accruing to their benefit.

Shri Bansal: Sixty lbs.

Shri Barman: What my hon. friend suggests is that if in one package it is put more than 60 lbs. then it will not have to pay any duty. But what about the tea which will come to the warehouse at Calcutta in order to get it sold in the auction? That cannot be packed except in approved packages. That is there are only two kinds of approved packages, one of 60 lbs. and the other of lesser quantity but they are all of a standard nature. They will have to be packed in the tea garden itself. The same tea is assorted into different kinds, orange pekoe, broken orange, etc. They are not according to the grade quality but according to the size of the produce. After sifting, they are separately packed and sent out. When they are to be sent to long distances, they will have to be packed well. Otherwise, they will be spoiled. Peak production period is mostly during rains. It comes to Calcutta from West Bengal, from Assam and the case is the same for South India. It cannot be sent to such a long distance in a sort of loose packing. In such a case the quality of the tea will be spoiled. It will become absolutely unfit for use. I say this after seeing so many gardens in my district. I do not think it will benefit the grower for whose benefit this Bill is brought. I hope the hon. Minister, if he has not consulted the Tea associations or the Central Board, will kindly consult them and if necessary by amending the Bill or by some executive instruction or order, make it suitable so that the object may not be defeated.

Shri C. D. Deshmukh: I am glad that almost every section of the House has welcomed this Bill although on some sides doubts are expressed as to whether it is going to attain its object fully. The various speeches that have been made show the desirability of trying to reconcile all the different interests for the common good. Voices have been raised in favour of labour, on the side of manufacturers, of the producers and on behalf of the consumers and I should say that that arrangement is best which secures to the maximum extent the interests of all the three.

I have been watching the developments in the tea industry for the last six or eight months and I hope I shall be forgiven for the criticism but I think that labour rather over-played their cards. I think there was a time when perhaps they could have made terms with the producers because finally, it must be remembered, the crisis was due to incapacity to sell abroad and therefore, it was a crisis of a contraction in production. Now, in my opinion, there is no use standing out when a crisis comes about this way and I think labour ought to have chosen the opportune moment for making the best terms that it could in order to help in keeping the gardens going. However, I have no doubt that as the fortunes of the industry improve, whether due to measures taken by us or whether due to outside factors, I imagine that labour will again be in a position to get back something out of that new prosperity. It is not for me to give an assurance on their behalf. I can only make a forecast of the situation.

Actually, the position in regard to the closing of gardens and retrenchment is as follows because the figures quoted are not quite correct. The total number of gardens which actually closed down was 94 although it is true that 107 gave notice of closing down and in these 94 gardens, the labour affected was 63,490. Now gardens that have since reopened number 42, employing a labour force of 39,228. Therefore, the number of gardens which remain closed on the 15th April was 52 and the labour affected, unemployed was 24,262 and not 40,000 or four lakhs or four millions.

Shri Gadgil (Poona Central): Even this figure is not inconsequential.

Shri C. D. Deshmukh: I feel confident that as an improvement comes about, because we are certainly in upward trends, most of these gardens will re-open and the labour which is unemployed will be taken back. Whether there will be full employment for them or whether they will be employed for part of the period is more than I can say.

As regards details, there are some areas which have suffered a little more than others and I think the conditions are worse in Assam.

The next question that has been raised is whether the producers will get the benefit of the measure. Now our expectation is that they will be able to do so to a large extent although one can never dogmatise in a matter of this kind.

There were some doubts expressed by Shri Barman in regard to loose tea being issued out of the gardens and losing duty altogether. I think we have sufficient powers under our regulations to keep a watch on developments of this kind because all packers are going to be licensed and it may even be possible to keep an eye on the sellers of loose tea under the regulations so that if both packers and sellers of loose tea are licensed, then we would be able to keep an eye on this development as well as on any development in the direction of a substitution of loose tea for packed tea. As I said in the course of my observations, our anticipations are that such substitution will not be on a very large scale because in a matter like this people have fortunately fixed selections and they do not lightly allow themselves to be moved from the articles of their ordinary choice.

It must be remembered that the additional charge, that is, of one anna is a very small fraction of the price of tea which ranges now from Rs. 2/8 to Rs. four and I doubt whether consumers are likely to shift to loose tea if they are not used to it merely for avoiding an impost of this kind.

The next question is also very difficult to answer as to whether the consumer will get the benefit of this or whether the increase will be known. Possibly both things will happen. Maybe that some of the increase will be cushioned off and will be borne by the sellers and not by the consumers. Anyway I do not think that this is a matter which ought to give us any great anxiety. If we are inclined to believe that generally the measure ought to help the tea gardens—and that I believe most hon. Members are agreed—there is a great possibility of its doing so.

I think there were some specific assurances that Shri Shastri desired of me. One was: will benefit go to labour? I can only say I hope so. If the conditions of gardens improve as a result of this measure. The second was whether it will help to restore the waste. Again I cannot either give an assurance or even hold out any hopes so far as I am concerned but I can only make an intelligent forecast and my answer is the same that if, as it appears, the fortunes of the industry are now improved, labour might be able to get some share of it and in regard to consumers I have already answered the point. There was a reference to a word—to some kind of subsidy; it is not a subsidy to anybody....

An. Hon. Member: Relief.

Shri C. D. Deshmukh: It is a relief.

I think I have dealt with all points that were raised in the debate, and therefore, I would again commend my motion.

Mr. Chairman: The question is:

"That clause 2 stand part of the Bill".

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill be passed."

Mr. Chairman: The question is:

"That the Bill be passed."

The motion was adopted.

DETENTION OF TWO MEMBERS

Mr. Chairman: I have to inform the House that I have received the following letter from the District Magistrate, Jullundur:

"To

The Speaker,
Parliament of India,
New Delhi.

No. 269/ST. dated the 17th April, 1953.

Sir,

I have the honour to inform you that I have found it my duty

[Mr. Chairman]

in the exercise of my powers under section 3(2) of the Preventive Detention Act, 1950, as amended by the Preventive Detention (Amendment) Acts of 1951 and 1952 read with clause (a)(ii) of the sub-section (1) of the same section to direct that the following members of Parliament be detained. They were accordingly taken into custody this evening and are at present lodged in the Jullundur District Jail.

(1) Shri V. G. Deshpande, M.P., General Secretary, All India Akhil Bharat Hindu Mahasabha.

(2) Shri U. M. Trivedi, M.P., Cashier All India B. J. Sangh.

I am, Sir.

Yours obedient servant,

Sd./- (Chand Narain).

District Magistrate, Jullundur."

The House then adjourned till a Quarter Past Eight of the Clock on Monday, the 20th April, **1953.**